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AN EXAMINATION
OF
SOME PREVAILING OPINIONS,
AS TO THE PRESSURE OF
TAXATION
IN THIS, AND OTHER COUNTRIES.

BY
GEORGE WARDE NORMAN, ESQ.

FOURTH EDITION.

WITH A SUPPLEMENTARY CHAPTER, CONTINUING THE
FINANCIAL REVIEW TO THE PRESENT TIME.

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PRELIMINARY NOTE.

THE following Pamphlet, published in 1850, having been long out of print, it has been deemed proper to publish a new Edition.

As respects all but the last Chapter, and the closing Section of the Appendix, it is reprinted in its original form, excepting that a few Notes are added; but the sixth Chapter and last portion of the Appendix are altogether new, with the view of continuing the survey of the positive and comparative expenditure of Great Britain and of other leading States, to the present time.

In the earlier Editions the Author had to acknowledge his obligations to the late lamented Mr. Porter of the Board of Trade. He has now to express a similar acknowledgment of the assistance, as regards many facts and figures, rendered to him by his esteemed friend Mr. Newmarch.

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CHAPTER I.

STATEMENT OF QUESTIONS TO BE DISCUSSED.

THERE are, perhaps, no opinions more firmly adopted by the vast majority of the British people than those enunciated in the following propositions:—

1. That the amount of the public expenditure constitutes the great evil of the Government of this country, and seriously impedes the progress of the general prosperity.

2. That the public expenditure and consequent taxation of Great Britain is much heavier than that of other large civilized countries.

3. That the British Government is eminently prodigal in its expenditure, when this is compared with the results obtained, or with the expenditure of the Governments of other great and civilized countries for similar purposes.

The doctrine contained in these propositions forms the stock in trade of the popular orator. When insisting on them, he is well aware that he is touching a chord which vibrates in the national heart, and does not even attempt to prove that which nobody thinks of denying.

But it is not merely in that part of the community where democratic sympathies most abound that the doctrine prevails. If we go to a meeting of agriculturists we shall find it held with an equally undoubting faith. We are there told by every speaker, that British farmers or landowners can never successfully contend against foreign competition, on account of the heavy public burdens to which they are subjected; while we are also informed that the foreign corn or cattle producer is in the enviable condition of enjoying the blessings of government almost without having to pay for them.

Again, the shipowners declared that the maintenance of the navigation laws was necessary for them, on account of the comparative freedom from taxation enjoyed by their foreign rivals.

In short, complaints against our fiscal burdens are all but universal: differing, as they do, upon almost all other points, upon this Churchman and Dissenter, Whig, Tory, and Radical, agriculturist and shipowner, find that they can cordially agree.

So undoubting and inveterate, and all but universal is the national feeling upon this matter, that even Ministers, and other organs of the Government, whose tendencies seem to lie in an opposite direction, appear in some degree to participate in it. They may now and then point to the enormous amount of taxes abolished since the Peace as a reason for suspecting that the remaining burdens cannot be quite so severe as is commonly imagined;

and their expressions, however cautious and well guarded, may lead to the suspicion that their secret opinions are not quite in unison with the orthodox faith; but we seldom find them questioning the truth of the popular notion in its essentials.

The opinion of other nations upon these matters quite agrees with our own. Foreigners universally imagine that the fiscal burdens of the British people are of unparalleled magnitude, and that in this respect our freedom is dearly purchased and paid for.

The object of the following pages is to bring the question to the test of a candid and truthful examination, the result of which will shew to what, if any, extent, the common notion as to the financial condition of Great Britain is well founded.

Some observations as to the inferences which ought to be drawn from the actual condition of things, as it shall be shewn to exist in this respect, will form an appropriate termination to our labours.

It may here be remarked, that although the matters in question have never been brought distinctly under discussion by any writer of authority, yet, when incidentally alluded to, the opinions put forth by some of our most distinguished writers and statesmen, imply a difference of view from that entertained by the public at large. The Chancellor of the Exchequer, in a speech delivered during the last Session, expressed a feeling opposed to that

generally prevalent. A writer in a recent number of the "Edinburgh Review" has gone still farther in the same direction, and the present author may successfully defend himself against the charge of seeking to maintain a senseless paradox, by the following citations from two writers, whom the public voice places at the head of the political economists of our age and country.

Mr. J. S. Mill, in his recent work, vol. ii. page 886, says;—"A country which, like England, accumulates capital, not only for itself, but for half the world, may be said to defray the whole of its public expences from its overflowings; and its wealth is probably as great as if it had no taxes at all." He adds, however: "What its taxes really do is to subtract from its means, not of production, but of enjoyment; since whatever any one spends in taxes, he could, if it were not taken for that purpose, employ in indulging his ease, or in gratifying some want or taste which at present remains unsatisfied."

Mr. Mill's last remark may be followed out by observing, that the means possessed by a nation of spending upon objects of immediate enjoyment not strictly necessary, are commensurate with its means of saving. The indubitable fact that an enormous accumulation of capital, the result of an excess of income over expenditure is the normal condition of England, affords a decided proof that our enjoyments, so far as they arise from unproduc-

tive consumption, cannot be diminished to any excessive extent by the pressure of existing taxation.

Mr. J. R. Macculloch in his work on Taxation, page 10, informs us, that probabilities "go far to warrant the belief that but for the contests in which we have been engaged since the Revolution, the greater part of the wealth expended in carrying them on could never have existed." He goes on to explain his views further by insisting on the extent to which industry, invention, enterprize, and economy, were stimulated by the increasing pressure of taxation.

In other passages, however, Mr. Macculloch seems to consider the taxation of England as being very heavy, and that it occasions a transfer of capital to other countries. He particularly insists upon the decay of Holland as having arisen from its high taxation.

It is indisputable that Holland is, and long has been heavily taxed, but the fact of her absolute decline may still be doubted. She is probably as rich now, as at any former period,—the apparent decline arises from the comparatively more rapid advance of other countries, possessing more extensive and more fertile territories, and a larger population, which in recent times, under an improved system of government, have availed themselves of their natural superiority.

It may further be remarked, that taxation apparently very heavy, when compared with the

resources of a country, is quite consistent with a rapid increase of wealth if the fiscal system be moderately just and equal, and the government on the whole good. These facts co-existed in a remarkable degree in the Italian Republics, and probably in the great cities of the Low Countries during the middle ages.*

On the other hand, the downfall of the Roman Empire, and the ruin brought upon so many fair provinces by the Turkish sway, which are justly attributable in a great degree to fiscal causes, did not arise merely from the pressure of taxation measured by the sums brought into the Treasury, or even from the amount assessed on the tax-payers, but from the inequality and injustice with which the taxes were imposed and collected, which had all the characteristics of legal robbery. There was in fact no security for property, and thus industry and accumulation were stifled in their birth.

* See the interesting picture of Florence given by Giovanni Villani, in his *Cronica*.—Book II. c. 94.

CHAPTER II.

PRESSURE OF TAXATION AT THE CLOSE OF THE WAR, COMPARED WITH THAT WHICH EXISTS AT PRESENT.

It is proposed to examine the propositions contained in the opening paragraph of the last chapter separately, and in the order in which they there stand. The object of the present chapter will be to determine, whether the amount of public expenditure really constitutes the great evil of our Government, and seriously impedes the growth of the public prosperity.

Now, it must never be forgotten that it is not the absolute, but the relative amount of taxation and expenditure, upon which the answer to the question as to the amount of burden which they impose, must depend. It is obvious that the Englishman, or the Anglo-American, may without inconvenience contribute a pound to the National Exchequer, when a Siamese, or an inhabitant of Madagascar, could not even pay a shilling. In short, the pressure of the burden will depend upon the existing means of sustaining it. It is with nations as

with individuals, one man may only exercise a commendable liberality, while spending £10,000 per annum. Another may be very justly chargeable with extravagance whose annual expenses are limited to £100.

The annual income of a private person constitutes the amount which he may expend during the year, leaving his principal unaltered. Should he expend less, his wealth is increased to the extent of his saving. Should he spend more, his wealth is diminished in proportion. Now the wealth of a Nation consists of the aggregate wealth of all the individuals who compose it, and the income of a nation is formed by a union of all private incomes. Should the expenditure of the State, added to that of individuals, exceed the national income, the result must be, that the aggregate capital, that fund which is destined for reproduction, and for the permanent support of the industrious classes of society, will be lessened.

In the case of a single person, it is easy by comparing his income with his expenditure, to ascertain if he is growing richer or poorer, and by how much; and could we ascertain exactly the income and expenditure of the whole community, we could fix with equal certainty, the annual increment or decrement of the national wealth; but in the latter instance the particulars of the calculation are too numerous, and the data too vague to enable us in this way to arrive at a satisfactory conclusion.

Estimates indeed, some of them probably near the truth, have been made as to various branches of the national wealth or income at particular times, and of some of these, use will be made hereafter, but in arguing the main question, it would be inconvenient, to parade before the reader a vast array of figures, which, after all, could hardly lead to a conclusive result.

It fortunately happens that it is unnecessary to have recourse to the operose process of calculation thus suggested. A shorter mode of arriving at the truth may be deduced.

The question for consideration is this,—Does the existing expenditure of the State, by its excessive amount, seriously impede the progress of the national prosperity, so far as that depends on the increase of national wealth? The proviso is important, for undoubtedly there exist things far more valuable to a nation than mere material possessions.

We all know, that the expenditure of the State has been greatly diminished since the Peace. It is equally clear that the wealth of the community has enormously increased within that period. It follows indisputably, that the proportion which the income of the country bears to its expenditure is at the present time much greater than it was at the termination of the great war. The burden in fact has been lessened, and if, when the pressure of the burden was greatest, we yet advanced, however slowly, it is clear that our onward progress cannot

now be very seriously impeded, by the diminished weight we are still forced to carry.

The published financial accounts convey the most accurate information as to the annual expenses of the State for a long series of years, but how are we to arrive at a knowledge of the amount of national wealth at each corresponding period? The calculations ordinarily produced, as already remarked, are too vague and uncertain to lead to results quite satisfactory, although they may afford important subsidiary aid. It fortunately happens that we possess exact returns as to the progressive growth of the most important element in the production of wealth, viz., Labour,—the exercise of the moral and physical powers of man for industrial purposes. Without labour there can be no creation of wealth, and other things being equal, the quantity of wealth produced, will be in proportion to the labour employed.

It is then a fair and safe assumption that the wealth of the country has increased to an extent corresponding with the increase in the number of labourers—in other words with its population—unless on the other hand it can be shewn that the ratio of capital to population has been diminishing, or that land, and the other natural agents of production are yielding a lessened return as compared with the increased amount of industrial enterprise employed upon them. In the case of England, none of these modifying circumstances have occurred to in-

validate the inference. We may therefore fairly conclude that the wealth of this country has increased to an extent at least corresponding with the increase of her population. The amount of population at each decennial period is known with great exactness. For any year or series of years between each decennial period, it may be readily estimated with sufficient precision.

It is not meant that an increase of population is necessarily accompanied by a corresponding increase of national wealth. It is possible that an increase of population may co-exist with a deteriorated condition of the people. That the inhabitants of a country may continue to multiply, although their means of subsistence and of obtaining comforts may diminish. But this in a period of peace and civilization, is a most unusual occurrence—all that commonly happens is, that a people do not, owing to the increase in their numbers, reap all the advantage which they would otherwise obtain from the increase of their wealth. The poorer classes in most countries would be better off, were they rather less numerous, than they actually are.

It must be so obvious to any observant person, that the wealth of this country has increased since the Peace, in a greater ratio than the population; that upon this point it may suffice to appeal to the observation or recollection of the reader. Few probably will deny that the condition of every class of society has been elevated during the

intervening period ; even that of unskilled labourers cannot be deemed an exception. Though they have not advanced like those above them in the social scale, still it cannot be doubted that their condition is better than it was during the last few years of the war.

The ratio of increase in the population since the peace may be taken as 28 to 19, but the following facts prove that the national wealth, during that period, has increased in a still greater ratio.

The declared value of British and Irish produce exported in 1814,* was £45,494,000, or deducting 20 per cent for depreciation as will be explained hereafter, about £36,000,000 ; in 1844 it was £58,480,000 ; in 1848, a year of diminished trade, owing to the Continental Revolutions, £53,383,000. In 1849 it will probably have reached nearly sixty millions.

The vessels belonging to the United Kingdom and the Colonies in 1814, were 24,418, with a tonnage of 2,616,000 ; in 1845, vessels 31,817, tonnage 3,714,000. In 1848, 33,672, tonnage 4,052,160.† Upon this item it must be remarked, that the increase though large would have been far larger, had it not been for the great improvement in Navigation during the last thirty years. Two ships now do the work of three then. It may be further observed, that during the war, a very large number of merchant vessels

* Porter—Progress of the Nation, pp. 361, 362.

† Porter, Table in Appendix.

was constantly employed for State purposes, as transports, while hardly any are now so employed.

The capital which became subject to Legacy duty in 1814 was £29,072,000, and as much of this was funded or other property, to which a deduction for the depreciation of money is not applicable, an allowance of 10 per cent. upon this item will form the basis of a fair comparison. This will leave £24,569,100. In 1845, the capital subject to Legacy duty was £45,999,000.

Mr. Porter estimates the value of personal property in 1814 at £1,200,000,000, from which a fair deduction for depreciation must be made; and in 1845 at £2,200,000,000, and he informs us, that the increased rental of real property in England and Wales during the thirty years of peace exceeds forty millions, representing a capital of 1000 millions. The increase in the value of real property in Scotland has probably been in a larger ratio, and up to the breaking out of the potato disease, Ireland was rapidly advancing in this respect.

The value of the property insured against fire was, in 1811, £366,000,000, and in 1821, £408,000,000. We may assume a medium between these sums for 1815, viz. £387,000,000. In 1845, it was £722,000,000.

The various taxes reduced and abolished since the Peace, and up to the end of 1845, yielded to the Revenue, no less a sum than £50,182,000. In that interval taxes to the amount of £13,254,000. had

been imposed.* The balance in favour of reduction was thus about 37 millions. It may here be remarked, that the sum collected in the last years of the war from actual taxation was about 70 millions, and that consequently an enormous proportion of the taxes then existing must since have been removed. On the other hand it is obvious, that the wealth of the country must have vastly increased, in order to account for the collection of 52 millions now forming our revenue, from the old imposts still existing, with the additions made to them in later times.

After examining the above figures, it will be impossible for the most desponding not to come to the conclusion, that the national wealth has increased far more rapidly than the population, and that in assuming only an equal progression we are much within the truth.

Some persons may be inclined to allow that the amount of wealth in the country, measured by the mass of commodities which compose it, has increased faster than the population, who would at the same time doubt, if the money value of these commodities, which we must mainly look to when discussing the question of the absolute or comparative pressure of money taxation, had increased in that proportion.

It must be at once conceded that prices have fallen considerably since the Peace. That the increase in

* See Porter, p. 493.

the value of commodities, &c. produced or possessed by the community is far less than the increase in the number of those commodities. This remark is made in anticipation of objections; and the reader's attention is therefore called to the fact that the figures just produced point not merely to an increase in the amount of commodities, but to an increase in their money value greater than the proportionate increase in the population.

Mr. Porter gives us a table at page 507, which exhibits the progress of the chief branches of the revenue in each year of the century, taking into account the taxes imposed or repealed, and which shews also at each successive period, what the taxes ought to have produced, supposing their produce to have increased in the same ratio with the numbers of the people.

It appears from this table that the increase in the produce of taxes did not keep pace with the increase in the population up to 1828. In that year there was an excess of about £1,000,000. The following three years again exhibited a deficiency, but in 1832 the tide turned. In every succeeding year a surplus has been exhibited: by 1845 this surplus nearly reached the large sum of £7,000,000.

There is one assumption which it will be convenient to make, although it is not necessary to the validity of the argument. It is this: that during the most expensive period of the war we did not

spend more than our income,—that we never trencched upon our capital.

Those who recollect the remarkable years which preceded the General Peace, will not fail to remember that they exhibited no symptoms of decline so far as respected the national wealth. In spite of the enormous public burthens, the savings of individuals still enabled them to build houses, factories, and ships, and to convert a large amount of circulating into fixed capital. In short, this assumption would be considered by many an indubitable fact.

At page 477 of Mr. Porter's interesting and instructive work will be found a passage in which he expresses an opinion, that during the period which immediately preceded the Peace of Amiens, the public expenditure pressed so severely on the resources of the country, that on the whole, the national wealth was diminished, and that the sufferings of the mass of the people, which then existed, were referable, in part, to the want of the capital requisite for their employment at fair wages; and it appears, in page 514, that Mr. Porter's opinion as to the economical condition of the country during the latter period of the war, resembles that which he entertains as to its condition immediately preceding the Peace of Amiens, he consequently so far differs from me.

After giving this matter the best consideration in

my power, I am compelled still to believe that the Government expenditure, vast and reckless as it was, in both those periods, did not really exceed the national income. The sufferings of the working classes, to which Mr. Porter refers in support of his opinion as to the first period referred to, may be fully explained by the successive bad harvests, and the high prices of food and necessaries which occurred indeed during both periods. A vast unproductive expenditure on the part of individuals, and an enormous augmentation in the number of ships, buildings of all kinds, machinery, &c.—in short, a rapid conversion of circulating into fixed capital, could hardly have co-existed with a diminution in the amount of capital.

It is a well-known fact, that money wages never rise or fall as fast as the price of the articles on which they are expended. While a depreciation of the bank note was going on, the labourer probably suffered from being paid in a currency of diminished value, in addition to what he lost from the really enhanced price of the necessaries of life.

The apparent paralysis which affected the country at the final close of the war, appears to have arisen from the general dislocation of industry, and the very deficient harvest of 1816, aided, of course, by the immense expenditure of the Government, which must have diminished accumulation, even if it did not altogether prevent it. The general suffering would doubtless have been

less serious had a smaller public expenditure during the preceding years allowed capital to accumulate to a greater extent. The country was not positively poorer, but it was less rich than it might have been.

A passage may be cited from Mr. Ricardo's great work on the Principles of Political Economy and Taxation, 3rd edition, p. 164, which evinces a general accordance between his views and those here propounded. He says, "Notwithstanding the immense expenditure of the English Government during the last twenty years, there can be little doubt but that the increased production on the part of the people has more than compensated for it. The national capital has not merely been unimpaired, it has greatly increased, and the annual revenue of the people, even after the payment of their taxes, is probably greater at the present time than at any former period of their history.

"For the proof of this we might refer to the increase of population—to the extension of agriculture—to the increase of shipping and manufactures—to the building of docks—to the opening of numerous canals, as well as many other expensive undertakings, all denoting an increase both of capital and of annual production."

But whether the opinion of Mr. Porter, or my own, upon this point be the more correct, the general validity of the argument is not affected.

It is sufficient for my purpose that on the whole, the wealth of the country had enormously increased during the war, in spite of the vast financial burdens imposed upon it. My reasoning, stated shortly, is this: England, during the last few years of the war, was exposed to an amount of expenditure far heavier in proportion to her wealth than at present, without manifest impoverishment. She cannot then suffer any overwhelming injury, from the greatly diminished expenditure which she is now called upon to defray from her vastly augmented wealth.

After these explanations, the reader's attention is called to the several steps of the proposed argument, in order that he may the more easily perceive all the bearings of what is to follow.

The expenditure of the last years of the war will be compared with that of the present time, so as to shew the actual diminution.

The population for the two periods, will then be exhibited.

Finally, the per centage of diminution in the expenditure will be pointed out, upon the supposition that the national wealth has increased in proportion to the increase in population.

It may be advisable to remark here, in order to avoid cavil, that expenditure is compared with expenditure, and not taxation with taxation, because the latter alone would give an unfair result. At present, on an average of years, the amount of

taxation exceeds the expense of government, and has served to diminish the debt, while during the war, immense sums were annually borrowed. But loans, unless when supplied by foreigners, are as much a portion of the national income or capital, as the sums raised by the Property or any other tax. The only advantage which they possess over the latter in this respect is, that they do not immediately swell the expenses of collection, and that they do not, like interferent duties on commodities, take from the public at large more than they yield to the Exchequer. These advantages are more than counterbalanced by special disadvantages in the system of loans, which it is not my present purpose to dwell upon.

The assumption that money raised by loans, and money raised by taxes, are, for the purposes of the present argument, the same thing, will doubtless appear strange to many persons. Such persons should recollect that the evil consists in the dissipation and destruction of a certain amount of the wealth previously belonging to the community, and that the simple fact of its destruction is in no way altered by the mode in which the aggregate of commodities and services forming the wealth in question, has been transferred from the people to the Government.

But the question may here be asked, to what extent is the proposition true, which asserts that a loan relieves the existing generation at the expense of posterity?

In order to enable us to give a satisfactory answer to this question, a little explanation is required. The whole produce of a loan, like that of a tax, is usually dissipated and lost. But those who furnish it, do so willingly ; they consider the annuity promised them a sufficient equivalent. On the other hand, the feeling of sacrifice on the part of the tax-payers commences with, and is limited by the amount of their annuity. Their means of economy, or of immediate enjoyment, are lessened only to this extent. But then the obligation to pay the annuity is not confined to those who are called upon to pay it in the first instance, but continues during successive generations, until the loan is discharged. Thus explained, the remark, that a loan relieves the present generation at the expense of posterity, is correct, but not in the sense of its diminishing the national wealth to a less extent than a tax of the same amount would do.

The loan in fact probably lessens the national wealth, even more than a tax, because it is not accompanied with the same inducement to economize its amount, through the means of a lessened expenditure on the part of individuals.

These observations all apply to loans raised at home. A loan raised in foreign countries, as has been before remarked, only diminishes the national wealth, through the means, and to the extent of the annuity paid for it, unless when it is finally discharged.

In looking at the expenditure during the last year of the war, a deduction of 20 per cent has been allowed for depreciation of the paper money. This rate appears to be a fair average, looking simply at the market price of gold. It is probably, however, too great when applied to a comparison of the public expenditure between the years preceding the general peace and the present. The market price of gold, during the existence of the Bank Restriction Act, depended upon the immediate action of the foreign exchanges, which were greatly interfered with by the foreign payments of the Government, and by other accidental and temporary causes. The depreciation was not sufficiently durable and steady to have affected equally the prices of all commodities in the interior, and thus to have lessened the burthen of taxation and loans, by its full amount. This remark should be borne in mind in considering what follows.

The average expenditure of the years 1813-14, and 15, was £101,685,000, or deducting 20 per cent for depreciation, £89,450,000.*

The average expenditure for the years 1843-4-5, including above £5,700,000, employed in the redemption of debt, was £52,248,000.

These three years are selected because they are the last, of which the results are given in Mr. Porter's excellent work on the Progress of the Nation,

* See Table, page 483, from Porter's Progress of the Nation, in Appendix.

which has furnished me with the whole of the statistical facts employed in this chapter, and because the average expenditure which they exhibit is as nearly as can be, the present expenditure which may thus be considered normal. The budgets of the intervening years were swelled, by the consequences of the Irish famine, Caffre war, &c.

We have already seen why it would be unfair to compare actual taxation simply with former taxation, but in Mr. Porter's Work, p. 483, will be found ample information as to the produce of taxes for all the years from 1792 to 1845.

It follows from what has preceded that the positive reduction of expenditure since the Peace has been about twenty-nine millions on eighty-one millions, or about 36 per cent.

The medium population of the British islands towards the close of the war, may be taken at about nineteen millions. On an average of the last few years, we will take it at twenty-eight millions,* which is probably too low for the present time.†

Upon the assumption that national wealth has increased equally with the increase of population, the comparative reduction in expenditure has been 53 per cent.

* In 1850, when this Pamphlet was published, the Census of 1851 had not revealed the large diminution of the population of Ireland consequent upon the potato disease. This estimate is therefore too high.

† See Note in Appendix.

It follows from these figures that the country could now sustain an expenditure of £119,000,000, with no greater pressure than was inflicted by £81,000,000 at the close of the war. That we could now bear a system of taxation, looking at taxation simply, which produced £82,000,000, as we then bore one, which produced at least £56,000,000, and that an expenditure of £52,000,000, at present, presses no more upon our resources than an expenditure of £35,000,000 would have done about 1815.

It may be useful to put this matter in a somewhat different shape. At the close of the war we spent about £4. 4s. per head for public purposes. At present we spend about £1. 17s. The reduction in comparative expenditure during the intervening period, has amounted to about £2. 6s. per head.

Financial Reformers are fond of referring to the period just preceding the revolutionary war, as that which almost reached the acme of economy in the disbursements of the State. Now the expenditure of 1792, which, however, included nearly two and a-half millions of debt paid off, was £19,258,000. The population of the British Islands at that period was probably about fourteen millions. The expenditure per head was consequently less than it now is; but such has been the subsequent increase in the national income, that it seems clear that the actual pressure of Taxation was greater than at present.

Now can any reasonable man look into the statements thus presented to him, without feeling the

most entire conviction that our existing financial burthens, heavy as they appear to be, when the mere money amount is regarded, press but lightly on the resources of the country? and that they are no unreasonable price to pay for the inestimable blessings of good government at home, and for security against attack from nations devoted to military pursuits? Fifty-two millions sterling is indeed a large sum, but the richest community which ever existed upon earth could afford, if its honour or real interest was at stake, to expend a far larger amount without any enormous suffering on the part of the contributors. That burthen, which we once bore, we could in case of necessity bear again.

A general negative to the proposition which has taken so firm a hold of the popular mind, viz. "That the amount of the public expenditure constitutes the great evil of the government of this country, and seriously impedes the progress of the general prosperity," is sufficiently established by the preceding argument.

The following remarks tend to shew that the comparative reduction of 53 per cent, which, looking simply to figures, has been the diminution in our expenditure since the peace; has been far short of the real diminution in the charge upon the national income.

1. The deduction of 20 per cent allowed, in order to bring the depreciated paper money, which circu-

lated at the end of the war, on a level with the Bank Notes and Sovereigns of the present day, is probably too high. This point has been already adverted to.

2. Taxation during the last years of general hostilities, was far more costly and impolitic than at present. The restrictive system of Finance then flourished in baneful luxuriance. One of its main objects was to protect certain favoured interests, and to interfere with the free and more profitable application of capital and industry. There were many imposts most costly to the country which brought but an inconsiderable sum to the Exchequer, and it may be safely affirmed, that any given sum involved in its collection at that time, a comparatively far heavier amount of sacrifice than at present.

It is obvious, that this observation does not apply to the sums raised by loans, which do not otherwise interfere with industry, than by abstracting from the existing mass of capital, a portion of its amount, or by lessening the addition to it, which otherwise results from the excess of income over expenditure.

3. During the war, a large portion of the whole expenditure was employed in a way which precluded the possibility that any part of it could be economized. Subsidies to foreign powers, ships, powder and shot, and in a somewhat less degree, the pay, food, and clothing of soldiers and sailors,

fell under this category. At present above 50 per cent of the budget is handed over to the national creditors, who as a body are eminently economical, perhaps quite as much so, as the tax-payers themselves, and whose savings go to increase the national capital. In this point of view, the taxes which are appropriated for the payment of the dividends cannot be looked upon as more than a transfer of income. As respects those who pay them, indeed, they are just as real a deduction from the means of economy or of immediate enjoyment, as any other public imposts. But to those who receive them, it must be remembered that they are to the same extent an addition to their means of economy, or of immediate enjoyment.

The unproductive expenditure of the Fundholders is partly returned to the Exchequer, in the shape of taxes on consumption, and their wealth contributes to the Legacy Duty.

Another matter may here be brought before the reader's attention, which seems decisively to shew, that our existing taxation cannot seriously affect the public wealth; and that any possible diminution in the expenditure of Government, is altogether unimportant as regards this point. It is probable, that nearly as large a sum as the whole expenses of the State amount to, is annually wasted by the folly and extravagance of individuals. This process is going on every day, in every corner of the United Kingdom; and besides, the losses individually

small, but vast in the aggregate, which are thus inflicted on the nation, we observe every few years, in what appear to be recurring cycles, a sort of epidemic, which affects large masses of the community, inducing them to embark in irrational schemes, subsequently productive of enormous loss. Thus during the last thirty years, we have had successively—the South American and other foreign Loans—the absurd projects of 1825—the Joint Stock Banks—the purchases of United States Stock and Shares—and finally, the Railroad Mania. The sums lost by individuals in these several enterprises, have been prodigious. In the aggregate, they would make no inconsiderable figure if placed by the side of the sum composing the national debt.

The very respectable and intelligent body of Merchants and Traders, who have lately induced the Legislature to make important changes in the Laws applicable to Bankruptcy and Insolvency, state their opinion, that the loss annually sustained by the mass of creditors does not fall short of 50 millions; and there is no reason to suppose the statement to be exaggerated. Now, some portion of this vast sum does not probably represent so much capital wasted, for a debt may arise from a wager, or any speculative operation, when all that is lost by A is gained by B,—but the largest portion may safely be regarded as so much national wealth dissipated by the misfortunes, the extravagance, or the folly of individuals.

Let us suppose, that one-half of the 50 millions, which is certainly far below the truth, may fall under the latter category. To this, in order to estimate the entire loss to the country arising from over-expenditure, or abortive speculation, we must add the amount unprofitably invested by individuals not insolvent, and which consequently does not so palpably meet the public eye. It is not unreasonable to estimate this as being equal to the sum squandered by Bankrupts and Insolvents, and on the whole, we may safely conclude, that in estimating that 50 millions on an average are fooled away annually in one way or other, we rather fall short of, than exceed the truth.

Yet, even after the whole community has been supported, the expenditure of the State defrayed, and so immense a sum uselessly dissipated, a large balance still remains representing the annual savings of individuals, which goes to swell the national wealth. How enormous then must be the gross aggregate income of the community.

The reader will recollect that it has been shewn, supposing the increase of wealth to have kept pace with that of the population, that a diminution of pressure arising from public burdens has taken place since the Peace to the extent of 53 per cent, but on reading the foregoing observations, he will probably be of opinion, that the reduction thus exhibited falls far short of the real truth. By how much short, can only be a matter of conjecture.

If we say, that the real reduction has been 67 per cent, or two-thirds, we shall probably still be too low, and taking all things into calculation, it seems probable, that we shall not be far wrong in fixing it at 75 per cent, or three-fourths. In other words, it may be assumed, on highly probable grounds, that an individual with a given fortune or income, who in taxes and loans, paid we will say £100 to the State in 1815, would now only pay in the same way £25.

CHAPTER III.

THE PRESSURE OF TAXATION IN ENGLAND, COMPARED WITH THAT IN FRANCE, AND OTHER COUNTRIES.

HAVING now disposed of the first of the propositions, which form the subject of our inquiry, *viz.* "That the amount of the public expenditure forms the great evil of the government of this country, and most seriously impedes the progress of the general prosperity," I proceed to discuss the second, *viz.* "That the public expenditure and consequent taxation of Great Britain is much heavier than that of other large civilized countries."

Now the reader will recollect that in speaking of expenditure and taxation as being heavy or light, we mean comparatively so,—comparatively in the present and last chapters with the national wealth from which they are drawn. In the next chapter, we shall have occasion to speak of them comparatively with the services rendered to the community, which are their proper result.

We have already seen that in order to calculate exactly in a given case, the pressure of the financial burdens upon the resources of a State,—we ought to know the aggregate income or wealth of the community, which forms that State. It seems,

however, that exact knowledge upon this point is unattainable, and that even an estimate appearing to approach towards accuracy, would involve us in an overpowering mass of figures, which after all might not lead to a trustworthy result.

A different process has been adopted in the last chapter. The expenditure of the British Government at the period when it was highest, has been contrasted with that of a recent period, and of the present time. The population at these different periods has also been exhibited, and on the undeniable assumption that the public income and wealth has increased in at least an equal ratio with the population, it has been shewn that the per centage of reduction in the public burdens cannot have fallen short of 53 per cent.

Strong reasons indeed have been adduced to enforce the belief that the real diminution of pressure has not fallen short of 67, and that it has perhaps even reached 75 per cent.

It is now our business to compare the pressure of the public expenditure of Great Britain, with the similar pressure in one or more great civilized countries, and the country which it seems most convenient to select for the purpose of comparison is France, our nearest neighbour, our best friend in peace, our most formidable foe in war.

The results of our inquiry will probably be to convince the impartial reader that his preconceived opinion (if, as is not unlikely, it be simply founded on, and conforms to the float-

ing popular impression), is equally erroneous, as that dictum has been shewn to be, which ascribes to our taxation a highly injurious effect on the public prosperity.

No attempt has been made to furnish an estimate of the aggregate wealth and income of the British nation. It would be equally useless to venture on an estimate of the wealth and income of the French people. As respects them, the course will be adopted which seems to have been successful as respects ourselves. Their public expenditure and population, at a distant period, when the former appeared to have reached a maximum, in relation to the resources of the State, will be compared with the population and expenditure of more recent times.

It will be assumed that in their case, as in ours, the public wealth has increased at least as fast as the population.

It will be convenient, although not necessary, to suppose that the expenditure of France during the first period referred to in the comparison, bore as heavily on her resources, as did that of England during the years 1813-14 and 15. In the latter case, it is certain, or at least highly probable, that the national capital was never trenched upon. That all our burdens were defrayed from income. Those who recollect France during the years immediately succeeding the war, will perhaps hardly agree, that her efforts did not at that period trench upon her capital. At any rate, in assuming for

France an equality of pressure during the years 1815-16 and 17, with that of England during 1813-14 and 15, it would appear that an unnecessary concession has been made.

The aggregate wealth and income of France has doubtless increased still faster than the population during the last thirty years, but the same fact is undeniably true of England; and it would seem, that in assuming for the two countries an equal increase of wealth compared with the respective increase of population, more is granted than the real facts demand: the truth probably being, that the rate of increase in the wealth of Great Britain has been far greater than the simple equality thus claimed for her. If the inhabitants of France, taking one with another, are richer now than they were thirty years ago, the inhabitants of England, taking one with another, are richer in a still higher degree.

In the year 1815, unless the few months succeeding the truce of Amiens (including as they did the expedition to St. Domingo), and the interval before the return of Napoleon from Elba, can be considered as exceptions, France had been engaged in uninterrupted war for twenty-two years. Her resources had at first been strained to resist the great confederacy of European sovereigns; then to establish her supremacy in Europe; and finally, to repel the retaliatory attack of the plundered and insulted nations, who had combined to throw off the

yoke of the oppressor, and to secure their own independence. The removal of a vast mass of antiquated abuses, one of the immediate consequences of the first Revolution, had opened to her population means of acquiring wealth and of improving their condition, so numerous and important, that France had borne the enormous burdens thrown upon her better than could otherwise have been expected, and had made even some advances on the road to prosperity. This observation, however, applies almost exclusively to the rural population. Her foreign commerce had been ruined by the war, and her most useful manufactures in general were in a very low and imperfect state.

Her financial difficulties, however, had not reached their acme at the general Peace. As one of its conditions she had to pay heavy contributions to the Allied Powers, and to maintain on her soil a large foreign army. The result was a great addition to her expenditure, so as to carry it for the years 1815-16-17 to an amount hitherto unprecedented. These then are the three years selected as the first object of our comparison.

It is true that the expenditure of the year 1818 was much higher than any of them ; but we should arrive at an erroneous conclusion were we to take that year into the account, as the excess in its expenditure was wholly defrayed by loans raised in foreign countries, chiefly in England, which did not there-

fore weigh upon the resources of France until subsequently, and then only for the interest payable upon them, or for purchases made as a matter of investment by French citizens.

In reflecting upon what follows, it may occur to some readers, that the general Budget of France includes many things which in England are left to individual enterprise, or are provided for by the funds of corporate bodies, or by local taxation, and that in making a comparison between the expenditure of France and England, an allowance ought to be made for such differences.* The fact is indubitable, and in the next chapter, when we have to examine into the charge of prodigality so usually brought against the Government of England, consideration will be given to that view of the subject. At present our business, as already explained, is simply to compare the expenditure of France itself at two distinct periods, and the conclusion to which we may arrive will be fairly drawn, unless it can be shewn that any new principle had been introduced into French finance during the interval between them—that, for instance, expenses heretofore borne by the Municipalities had been transferred to the

* We may here remark, that during the last few years, many expenses, heretofore defrayed by local taxation in England, have been transferred, perhaps unwisely, in some instances, to the National Exchequer. Police—the prosecution of criminals—schoolmasters in workhouses—medical officers partially, &c. &c. fall under this head.

State, or *vice versa*. This, however, does not appear to have been the case.

The financial years which we shall compare with 1815-16-17, are the years 1845-6-7. The year 1818 is thrown out of the account, because its excess of expenditure was defrayed by foreigners. The year 1848 is also rejected, because the financial prodigality of the Republic may be regarded as abnormal, and as likely to disappear with a restoration of the sway of law and order, and at any rate, if continued as certain to lead to insolvency on the part of the Government.

But to proceed with our Review. The average expenditure of France in 1815-16, and 17, was 1,025,000 francs, £41,000,000.*

The average expenditure of the years 1845-6, and 7, was 1,573,000,000 francs, £62,000,000.

The population of France in 1817, was 29,217,000. In 1846, 35,400,000. The expenditure of France in 1848, had risen to 1,817,000,000 francs, or about £72,000,000.

It will be seen that to facilitate calculation, the pound sterling is valued at 25 francs, rather less than the usual exchange, but sufficiently near the truth, when perfect exactness is not required.

* See Appendix III.—“The interest on the public debt of France, amounted in 1814 to 102 millions of francs, in 1830 to 317 millions, in 1847 to 378 millions, and was expected to reach 452 millions, on January 1st, 1849, (this sum includes terminable annuities and certain pensions, amounting to 57 millions, and 62 millions of sinking fund.)”

Annuaire d'Economie Politique, 1849, p. 78.

We have already seen that the absolute expenditure of England has fallen from eighty-one millions to fifty-two millions, or 36 per cent, and her relative expenditure, supposing her wealth to have increased in an equal ratio with her population, that is, in the proportion of 28 to 19, 53 per cent.

On the other hand, the absolute expenditure of France has increased rather more than 50 per cent, that is, from 1025 millions of francs to 1573 millions of francs, while her relative expenditure, supposing her wealth to have kept pace with the increase of her population, has been augmented about 30 per cent.

The following calculations may help the reader to form a clearer notion of the financial position of the two countries, so far as respects the present inquiry.

If the absolute expenditure of France had been diminished like that of England, it would have been in the three years ending with 1847, 1025 millions less 36 per cent, or about 640 millions.

If the absolute expenditure of England had increased like that of France, it would now amount to eighty-one millions, plus forty millions, or one hundred and twenty millions.

Supposing us to look to the comparative expenditure, comparative we mean to the wealth of the two countries, on the assumption that the wealth of each has increased in an equal ratio with the population, the account will stand as follows.

In order to make the burden borne by France exactly the same now as it was in the three years 1815-16, and 17, it should be 1025 millions, plus 20 per cent, or 1230 millions. The actual expense has been 1573 millions.

The actual expenditure of England during the last years of the war having been eighty-one millions sterling, supposing the expenditure to have increased *pari passu* with the population, it would now amount to nearly 120 millions. If to this sum we add 30 per cent, the proportion by which the comparative expenditure of France has been augmented, we shall reach the sum of 144 millions, which would be necessary upon the data we have adopted, to preserve a fair equilibrium between wealth and expenditure in the two countries. If the two countries were equally burdened at the close of the war, it follows that England now expends comparatively with France in the proportion of 47 to 130—in other words, that the former in proportion to her wealth pays 71 per cent less than the latter.

It may render this matter somewhat clearer and more intelligible to the reader, to place these results in another point of view. The expenditure of England at the close of the war having been eighty-one millions, and the population nineteen millions, the former had reached the enormous amount of £4. 5s per head.

At present the English expenditure is fifty-two

millions, for twenty-eight millions of people, or about £1. 17s per head.

The expenditure of France in 1815-16, and 17, having been 1025 millions of francs, borne by a population of twenty-nine millions, was about £1. 8s per head, it has been recently 1573 millions of francs, for thirty-five millions of people, or about £1. 13s per head. In the first year of the Republic, it has indeed reached seventy-two millions sterling, or £2. per head.

But even these several statements, which may have perhaps fatigued the attention of the reader, afford an imperfect view of the relative burdens of the two countries, inasmuch as they take no account of the difference in principle between the systems of financial legislation pursued by them.

In France we see restrictions and protective duties, studiously contrived to benefit certain classes, at the expense of the community. The duty on foreign iron, intended to protect the dear and bad iron produced at home, is said alone to cost that country no less than £2,500,000. per annum, by adding about £5. per ton to the cost of the iron annually consumed — without taking into account the sacrifice imposed upon almost every branch of industry, by the high price and bad quality of one of the most important instruments of production. This is only one out of many similar arrangements, and they are crowned by a military conscription, which besides the other sacrifices im-

posed by it on the French people, must be regarded as a pecuniary tax of large though unascertained magnitude.*

England is totally free from a military conscription. Her financial code has been gradually weeded from the absurdities of the old mercantile theory, and even the Navigation Laws, which have mainly owed their permanence to the dogmas of that theory, have ceased to exist. At any rate, taking things as they are, it is certain that in the difference of principle between the financial legislation of the two countries, lies concealed a vast pecuniary burden on France, from which England is altogether free.

What has preceded, seems to lead with a degree of force, which amounts to moral demonstration, to the following conclusions. That assuming any given percentage of the National wealth, to be abstracted for State purposes in England, the amount so employed in France is greatly more than double such a percentage. In other words, that a Frenchman pays out of his income or fortune, more than twice as much as is paid by an Englishman, who may possess a similar fortune or income.

To many persons, who have imbibed the popular

* Since the above was written the fiscal policy of France has been altered for the better, and she has gained greatly by the change. The Emperor is a thorough Freetrader, but his policy, so wise and beneficent in this respect, is hampered by the prejudices of his subjects, and France still endures many of the evils of Protection.

doctrines on this subject, what has preceded will appear almost paradoxical, in spite of the data which support the conclusions arrived at. It may be expedient then to take a glance at the subject under a somewhat different point of view. We see that the actual expenditure of France during the last years of the monarchy was about £1. 13s per head of the population, and that under the Republic it has reached £2. per head, while that of Great Britain is about £1. 17s per head. So far then, there is no great difference between them. But can any reasonable person doubt that the population of the island of Great Britain is more than twice as rich, as the equally numerous population of any geographical section of France? Or that the excess of wealth, over the double proportion of the former, will not supply the deficiencies of Ireland, if any, so as to make that proportion a correct estimate for the whole British Islands.

As respects Ireland, we may remark, that she is now stricken down by an accidental calamity, which may turn out to be a crisis in her fate, and place her in a new and improved condition, both socially and economically. She is not at any rate in a normal state, and however full of hope, for her future we may be, as we are unable to form a correct estimate of that future, we are compelled while comparing her relative wealth with that of France, to regard her as she was, before the appearance of the potato

disease. At that time the poverty and misery of a large portion of her rural population was greater probably than that of any equal portion of the French population; but looking to the superior condition of Ulster and Leinster, and to the number of large and wealthy cities, such as Dublin, Cork, Belfast and Waterford, &c. &c., which have no counterpart in the poorer districts of France; we can hardly doubt, but that in the latter country, a number of Departments containing eight millions of people might be found, possessing on the whole less wealth, than that which did, and perhaps still does exist in Ireland.

On the whole we can hardly be wrong, or if wrong at all, we are under the mark, in estimating the wealth of the collective British Islands at double that of France. If so, a system of taxation which raises any given sum per head in the latter, is doubly as severe, as one which raises an equal sum per head in the former country.

It would be highly interesting and instructive to subject the other great countries of the Continent, to the same examination as that we have instituted in the case of France, but it is very difficult to obtain all the materials necessary for such a purpose. Some details bearing on the subject will be found in the Appendix. So much, however, at any rate, may be safely assumed, that towards the close, and soon after the termination of the revolutionary war, the expenditure of the several Con-

tinental countries, which had been engaged in that dreadful struggle, was at least as great in proportion to their resources, as that of Great Britain in proportion to hers, and that since that period in these several countries, there has been no reduction of taxation and expenditure, or increase of wealth similar in extent to what has taken place here. If this be so, the conclusion necessarily follows, that, at present their financial burdens are heavier than ours.

It thus appears that we have arrived in the progress of our researches at a negative as to the truth of the second proposition, which forms the popular opinion of England upon this branch of financial statistics. This negative is absolute and decided as respects France, less confidently expressed from the want of sufficient materials, but probably no less true, as respects other great European countries. Great Britain is not more heavily taxed than its European neighbours, when the comparative wealth of each is taken into account, but the reverse. Her burdens are lighter, and she has besides, the enormous advantage at present of having shaken off the shackles of the protective system, which may be considered as imposing taxes, which bring nothing to the Exchequer, while other countries are still suffering from it.

It would be interesting to extend our review beyond the Atlantic to that giant Republic, which is destined to spread the language, the laws, and

the traditions of England, over so large a portion of the New World, but here again, materials fail us. The expenditure of the Federal Government may be readily known,* but that of the several States, and of their numerous municipal bodies which must be added to it, in order to arrive at a result which could be compared to the general expenditure of Great Britain, is less accessible to a foreigner, and on the whole it seems impossible from existing data to pronounce a decisive opinion as to the comparative financial burdens of the English and American people. It may be assumed on the whole that the latter are in the best position in this respect. The American tariff is higher, generally speaking, than the British, and the direct taxation of the several States, independent of the local imposts on towns, counties, &c. is probably almost, if not quite as burdensome as our property tax. Some observations on militia duty considered as a tax will find a place hereafter. Still there remain our poor-rates, excise and stamps, and the heavy duties, levied upon certain commodities, such as tea, sugar, tobacco, malt, and spirits, to turn the scale against England, even when her superior wealth has been taken into the account.

* De Tocqueville, vol. ii. p. 72. et seq. may be examined on this subject.

CHAPTER IV.

REMARKS ON THE SPIRIT OF ECONOMY EVINCED BY THE ENGLISH GOVERNMENT, AS COMPARED WITH THAT EXHIBITED BY FOREIGN GOVERN- MENTS.

WE have now examined two of the most important propositions which form the creed of the English people upon matters of finance, and it only remains, in order to complete the task of criticism, that we should pass under review the third of the propositions, into the truth or falsehood of which it was originally proposed to examine, that, *viz.* which pronounces the English Government to be eminently prodigal in its expenditure, when this is compared with the results obtained, or with the expenditure of the Governments of other great and civilized countries for similar purposes.

In order to discuss this question with any sort of completeness, it would be necessary that we should know exactly the sums raised in each country, both by the State and by Municipal bodies, and also the mode in which the sums so raised are expended. It has been already remarked, that the correct attainment of this knowledge is almost impossible; that the requisite data are inaccessible, and that

even an attempt to explain and classify the figures which might be laid before the reader, could not lead to an exact result.

In the previous chapters, the difficulty of comparing the expenditure of different countries was avoided by the adoption of a mode of examination which only required that the expenditure of a given country at one period, should be compared with that of the same country at another period. This system of comparison is inapplicable to the subject of the present chapter. In it the expenditure of different countries must be placed in opposition. Perfect exactness in detail is not to be expected, but it is hoped, that means have been procured which will lead to a decision upon the general question approaching to certainty.

It must be remarked, that a thorough examination of the comparative expenditure of different countries, would raise many collateral questions, both as to fact and opinion, the discussion of which, however interesting and useful, would carry us into too wide a field. A few of these, however, will be pointed out.

The French Budget includes the expense of collection; not so the English. Here then a sum, amounting annually to about four millions sterling,*

* In 1848, £4,154,000. This sum, however, includes the Post Office Expenses, £1,392,000, which are in truth the costs of a vast industrial undertaking, and not the charge of collecting a tax. The real costs of collection were £2,836,000.

must be added to the latter, in order to make a fair comparison.

Again, in the French Budget the charge for the clergy is about 40,000,000 of francs, while in the English Budget the corresponding charge, which consists of the *Regium Donum* and trifling sums, chiefly in the Colonies, does not probably exceed £50,000.*

Public works are carried on in France at the expense of the State to an extent which finds no counterpart on this side the Channel. This circumstance, which is also true of most other European countries and of the United States in a less degree, arises in some cases from the comparative want of capital, in others from the absence of a spirit of co-operation among individuals. The highly centralized system of rule prevailing on the Continent, is another obstacle in the way of private enterprise.

As to public charity, a great difference exists between the Catholic and Protestant countries of the Continent. In Protestant countries a Poor-law, agreeing in essentials with ours, and sometimes equally onerous, is found to exist, while in Catholic countries the indigent are mainly left to the efforts of private charity, aided occasionally by the public exchequer, or by municipal contributions.

* The public works of France from 1830 to 1847, cost 54 millions sterling, 1,358,000,000 francs.—*Annuaire d'Economie Politique*, 1849, p. 71.

The octroi,* or duty on articles brought into towns, is a very heavy and pernicious impost in France and some other countries, but happily unknown in England. The produce is divided between the central government and the municipalities.

Tithes have been generally abolished on the Continent, while a tithe rent-charge exists here; but then comes the question—are tithes to be considered a tax? They are rather a portion of rent, appropriated to one party, the tithe-owner, while the remaining portion of rent is appropriated to another party, the proprietor of the soil. The abolition of tithe would deprive the tithe-owner of his share, and throw it entirely into the hands of the proprietor of the soil, in the form of increased rent. Tithe it is clear cannot constitute any burden upon the consumer, inasmuch as it does not affect price. The same principle is applicable to the land tax, and to the largest portion of the poor rate. Indeed it may be applied to all imposts on real property, which have existed long enough to have produced their full effects on purchases and sales; such as the “Impot foncier,”† or land tax, which constitutes so important an item in all Continental Budgets. In such cases there is a

* The octroi yielded at Paris in 1838, 31,930,961 francs. At Lyons in 1830, 2,307,330,22 francs. Macgregor's Commercial Statistics, Vol. 1, p. 334-336. At Paris in 1849, 32,923,000 francs.

† The direct taxes in France for the rectified Budget of 1848, stood at 613 millions of francs, or about 24 millions sterling.—*Annuaire d'Econ. Pol.* 1849, p. 118.

point of time, when the so-called tax, from its long existence, loses its previous character, and assumes rather the character of an original share in the proprietorship; and to abolish such a charge, would be to give to the proprietor an additional benefit, for which he has never paid the price, and to which he has therefore no equitable claim. It may however be remarked, that a Government which possesses a large income in the character of co-proprietor with the possessors of the soil, ought to be in a condition to dispense with taxation to a proportionate extent.

These questions are merely suggested, without an attempt to solve them, because their discussion would carry us too far, while at the same time, it is expedient to avoid the suspicion that they have been passed by unadvisedly.

In making a comparison between the actual expenditure of different countries, with a view to judge of the comparative spirit of economy which at present actuates their governments, it is proper to look mainly at that portion which is employed for other purposes than the payment of interest on the public debt. In the case of England this course is especially necessary. Our debt was almost all contracted before 1816, and during a state of things very different from the present. It amounted in that year to 855 millions, and involved an annual charge of £32,457,000. Since the general Peace loans have occasionally been contracted, but on the

whole both the capital and interest of the debt have been diminished. In 1848 the former stood at £809,755,000; the latter at £28,562,000. The accusation of extravagance against the English Government during the war, must be admitted; and if the same charge does not equally apply to the expenditure of other countries during the same period, the cause must be sought for, not in their more economical spirit, but in their want of credit at home and abroad, and in the poverty of their citizens. At any rate, it would be most unfair to impute to the English Government as it now exists, the extravagance of thirty or forty years ago. Let our present system answer for its own faults, and for these alone.

Setting aside all consideration of the relative burthen imposed upon this and other countries, by their respective debts, we will proceed to compare the active expenditure of England with that of some of her neighbours.

The following table exhibits the annual expenditure per head, of a few of the most important civilized countries, casting aside the *passive charge*, viz. that for the payment of interest. It has been kindly prepared for me by my friend Mr. G. R. Porter, of the Board of Trade, a fact which can leave no doubt as to its general accuracy; I take this opportunity of expressing my gratitude to that Gentleman for the assistance which he has thus rendered me, and which I should have

looked for in vain in other quarters; I ought to add, that this is only one out of many instances, in which I have derived important help from his industry, and profound statistical researches, combined as they are, with an accurate knowledge of the principles of economical science.

Table of expenditure for purposes other than the payment of interest on debt, stated in English money, and at per head of the population.

France—before the late Revolution	£1 6 4
„ since „ 1848	1 11 0
Belgium	0 15 10
Spain	0 18 3
Prussia	0 10 7
Holland	0 18 4
Norway	0 9 0
United States—taking into account the expenditure of the several States }	0 9 3
Average of the above taking France at only }	0 16 4
£1. 6s about }	
*England, adding four millions for collection	0 19 4

Now it will at once strike the reader, that the

* The average annual expenditure during the years ending 5th January, 1847, 48 and 49, amounted, including costs of collection, to £58,882,000, but in 1847, £2,854,000 was employed in the redemption of debt, and these years comprehended the charge for the Caffre War, and nearly two millions disbursed to relieve distress in Ireland and Scotland. The ordinary expenditure, therefore, did not reach 57 millions, of which the debt absorbed 28½ millions, leaving an active expenditure for ordinary purposes, including costs of collection of about 28 millions. This has since been reduced.

above figures even at the first glance, by no means bear out the charge of extravagance usually brought against the English Government. That its expenditure per head of the population, is less by nearly one-third than that of France, and that it barely exceeds that of Spain and of Holland.

The following observations will probably convince the impartial reader, that the ordinary opinion on this point is not merely adopted on insufficient data, but that it is positively incorrect—being in fact the reverse of the truth.

In comparing the active expenditure of England with that of other countries, there are some circumstances affecting the former, which deserve especial consideration, as modifying the inferences, which would follow from the simple relation between their respective money amounts. Some of these circumstances are to be sought for in the peculiar condition of the British Islands. Others in the structure of that mighty aggregation of States, which we call the British Empire.

Among the former, we may mention the superior condition of our population, both as regards their money wages, and their understanding of what constitutes the necessaries of life. The price of all personal services is far higher in Great Britain than in any other European country. The fact is found to exist in almost every kind and grade of employment, whether involving corporeal or mental toil. The agricultural labourer—the artizan—the ma-

riner—the manufacturer—the mercantile or professional clerk—the lawyer, or physician, require a higher remuneration in England than in any Continental State, often in a twofold, sometimes in a three or fourfold ratio. In other words, the natural price of labour,—that remuneration which labourers of all kinds demand, and less than which they will not accept, is far higher here, than in the rest of Europe. Now the Government is an employer of labour to an immense extent. Personal services consume the far greater portion of its total expenditure after the annual claims of the public creditor have been satisfied. The State only obtains the number of labourers it requires, by competing with other employers in a market, where the price of the commodity is comparatively high. The British Government subjects itself to the effects of competition in this respect to an extent almost unknown in the rest of Europe, by relying on free enlistment for its army and fleet, instead of having recourse to a conscription which relieves the National Exchequer, at the expense of those who are called upon to undertake the burden of military service, or of their families. On the whole, it may be fairly assumed that the cost of personal services, speaking generally, is nearly twice as great in England, as in France, and nearly three times as great in England, as in Austria, Russia, or Sweden.

Closely connected with the superior condition of the several classes of society, is the fact, that Great

Britain is a very expensive country. This circumstance is mainly owing to the productiveness of its labour. An average Englishman, by working a given time, will produce a commodity saleable in those countries, which produce the precious metals, or which have obtained them by exchange, for much more gold and silver, than an average Frenchman, or German, or Pole, will obtain for a commodity upon which he has employed an equal time. It follows from this, that the precious metals are cheap in England,—in other words, that all other commodities or services are dear, unless when England, as is the case in many instances, possesses some special advantage, conducive to cheapness. The English Exchequer is thus paid in low-priced money, if this expression may be excused, which usually does not go so far as the high-priced money of other countries for internal purposes.

The high price of English labour is indeed often recompensed to the employer by the superior quality of the labour which he obtains. Thus it was found advantageous to pay English labourers on the French railways, twice as much as was paid to Frenchmen, and English labourers were employed in the reconstruction of Hamburg, after the great fire, at much higher wages than would have satisfied natives of Germany. These facts somewhat limit in point of extent the inferences to be drawn from the greater apparent costliness of English, as compared with foreign labour. There are, however, many opera-

tions which demand a specified time, whatever may be the skill or energy of the operator, here the superiority of the English labourer gives no recompense to his employer for his higher wages. At any rate, the British Government has taken advantage of the better quality of its functionaries of all classes, by employing fewer in proportion than are found in other European States.

The most striking contrast in the rate of payment to public officers in this and other countries is to be found in the salaries of Judges, and other legal functionaries. Thus while our Chancellor receives £10,000 per annum, a Chief Justice, £8000,—a Puisne Judge, £5000, and even a Judge of a County Court, £1000. A first President of the Court of Cassation, in France, has only 20,000 fr. or £800, and a President of the Court of Appeal, sitting at Paris, 18,000 fr. or £720. The salaries in the other Courts of Appeal are still less. A President of the Court of first instance of the Department of the Seine receives annually 15,000 fr.—£600. A Procureur-General of the Republic, whose functions somewhat resemble those of our Attorney-General, receives in each Court as much as a President.*

The difference between the remuneration of Ministers in France and England, is less conspi-

* It must not be forgotten that in France paid legal functionaries are far more numerous than in England. The expense of the Ministry of Justice amounts to twenty-six millions of francs.—*Annuaire d'Econ. Pol.* 1849, p. 116.

cuous than of legal functionaries. In the former country, 48,000 fr.—£1900. In the latter, £5000. Under the monarchy the salaries and emoluments of Ministers in France, were much higher than at present—perhaps higher all things considered than in England.*

Conclusions unfavourable to the economical spirit of our Government, may, with apparent fairness, be drawn from the above statement, and it is probable indeed that a due discharge of the duties which devolve on our high office-holders, might be obtained at a cheaper rate than at present. But the real cause and best excuse for these salaries is in the high price of all personal services in this country. It would be unseemly and inconvenient to select Judges from among those members of the Bar, whose talents, or knowledge of their profession were insufficient to procure for them a large amount of business, while the great incomes of able and successful Barristers, would render them unwilling to ascend the Bench for a scale of remuneration, much less than the salaries now assigned to high judicial officers.

In forming an opinion on the allowances to public functionaries, it must also be recollected, that in many countries, as in Russia for instance; the salary often forms only a portion, sometimes a small portion of the income of a public officer. Other

* The salaries of Ministers have been raised since the overthrow of the Republic, and are now, it is believed, as high, or higher, than they were under Louis Philippe.

gains, lawful or unlawful, largely contribute to it. This was the case formerly in England. At present our office-holders are almost unexampled in the history of the world for pecuniary probity, as well as for talent and industry. We pay highly, but we are at least ably and faithfully served.

The next and last circumstance to which it is proper to advert, as modifying the conclusions to be drawn from the expenditure of Great Britain as compared with that of Continental Countries and of the United States, are our Colonies, and our vast foreign commerce.

It has been estimated that the annual cost of the foreign possessions of Great Britain to the Mother country is not less than from four to five millions sterling.* This large sum is composed mainly of military and naval expenses, but also comprehends the pay of many civil functionaries, and occasional disbursements for war and public works. Our foreign possessions consist of conquered countries, like India and Ceylon, of Colonies properly so-called, Canada, Australia, &c. and of military posts and

* The sums issued from the Treasury in 1848 for Colonial and Consular services, was £497,727. 8s 5d. The cost of the staff for the troops stationed in the Colonies was £100,213. 16s 8d. The expense of carrying the mails to the Colonies greatly exceeds the postage received, and the excess is a charge arising from our connection with them. To this must be added the pay, maintenance, and transportation of perhaps 30,000 men, stationed in our foreign possessions, other than India, and of a portion of the Fleet. Events like the Canadian Insurrection and the Caffre War, must also be taken into account.

positions, such as Gibraltar, Malta, &c., occupied with a political object.

The other European countries, possessing Colonies of any importance are Spain, Holland, and France. Owing to peculiar circumstances, Spain is enabled to derive a revenue from her Colonies. Holland, at any rate, spends little or nothing upon her ultramarine possessions. Those of France are unimportant, with the exception of Algeria, which alone, however, costs nearly as much as all the British Colonies, and foreign possessions put together.*

Even supposing that, from financial or other considerations, Great Britain were to lose or to give up all her foreign possessions, retaining her enormous foreign trade, she might diminish her land forces greatly; but she would still be compelled to maintain a fleet far larger than would be requisite for the protection of the British islands. In fact, some may think that only a small portion of our naval forces are employed simply for the defence of our colonies, irrespective of the protection of our trade, and of general political considerations. But whether this be so or not, is a question which has no importance as bearing upon the present inquiry. Our object is merely to point out that Great Britain is subject to an annual charge of from four to five millions sterling for

* At the present time Holland derives a large revenue from her Eastern possessions.

a purpose which costs nothing to any other European country, excepting France.

Many readers may be of opinion that the maintenance of these costly foreign possessions, and the expensive protection afforded to our commerce in every part of the world, is a fact which at once fixes the charge of prodigality on the British Government. That our Colonies ought to pay their own expenses, or be abandoned, and that the military positions held with political views are not worth what they cost, or, in fact, anything. A great deal might be said on this point, a thorough discussion of which would carry us far beyond the limits prescribed for the present publication. It need only be remarked, that if the retention of possessions, causing so heavy an expense, be a fault, it is a fault which belongs not merely to the Government, but to the British people. Let public opinion pronounce its fiat, that our Colonies shall be made to defray the charges of governing and protecting them, or be given up, and they would speedily cease to make a demand upon our Budget.*

At any rate it is clear, that the 19s per head of the population, which at present forms our active expenditure, comprehends a large sum, which is not required by any other civilized country, except France. A deduction of five millions from the twenty-eight millions which we now expend, includ-

* For some excellent remarks on the management of Colonies, see Porter's "Progress of the Nation," p. 752, et seq.

ing the cost of collection, would leave our active expenditure in money per head very much less than two-thirds that of France before the late revolution, even allowing for Algeria ; less than that of Spain and Holland, and very nearly the same as the average expenditure of all the countries included in the table given at page 56, which comprehends the United States.

This being the case, let the reader bear in mind the observations which have been presented to him as to the expensiveness of England, and especially as to the absence of a conscription, and the high price we are compelled to pay for all personal services, and he can hardly fail to come to the conclusion that the charge of extreme prodigality usually brought against the British Government cannot be sustained. That this charge is disproved when brought to the test of even a cursory examination, and that our political system, which, notwithstanding its defects, still on the whole leaves those of the Continent so far behind it, as respects the essential objects of Government, accomplishes its object, all things considered, at a cheaper rate. The popular doctrine upon this subject is manifestly erroneous. To what extent cannot be fixed with the same precision as was attained when the burden of taxation in England was compared with what exists in France, or even with the similar burdens in the other large civilized countries of the world.

In coming to this conclusion, allowance must of

course be made for the larger amount raised in England by municipal taxes than in most foreign countries, and for the charges which fall upon the National Budget in the latter, but not in the former.*

A comparison after the compensations rendered necessary by the above consideration will somewhat affect the direct conclusions deducible from a simple statement of figures, but will not go far enough to reverse the decision derived from them.

The attempts made in almost every European country, excepting Great Britain, to interfere with industry through the means of fiscal regulations, involve an amount of sacrifice which cannot be accurately measured, but which is probably far greater than would be required to compensate for our heavy municipal taxation.

In the United States, the attempt to protect domestic producers against foreign competition by fiscal regulations, has been recently abandoned in words, and as a matter of principle. But, in fact, the system continues to exist, and imposes a heavy pecuniary burden on the American people. Such is the result, especially of the Custom Duties on cotton and woollen goods, on metals in a raw

* It is believed that in some of the American States even before the existing war, the municipal charges were higher than in England. In Norway they are now very high. As a general rule, a free decentralized Government implies heavy local taxation, as under it, destitution, roads, bridges, police, &c., are wholly, or partially, managed and paid for by the districts.
—*Note to 4th Edition.*

state, or on their manufactured products. All such goods are also produced, and some of them to an immense amount in the United States, and the American people at large is still compelled to pay to a small section of its countrymen an unnecessarily high price for many articles of first necessity. The rise of price consequent on the tax, applies to all the manufactured cotton, and to all the iron consumed, whether obtained by foreign import or by home production, but a duty is levied only on what comes from abroad. The enhanced price of what is produced at home is equally a tax, but is altogether lost to the community.*

It must not, however, be supposed, from what precedes, that no extravagance can justly be charged against the British Government, but only that at least similar, and probably greater extravagance is to be found in the disbursements of all other Governments. The expenses of the dockyards, which have been so prominently brought before the public, exhibit proofs of very flagrant mismanagement on our part. This waste of the national resources is calculated to throw great discredit upon those persons whose duty it is to superintend this important branch of the public service. On the other hand, it may be doubted if the effective force of either the army or navy

* The Morrell Tariff has re-introduced protection as a principle into the fiscal legislation of the United States.—*Note to 4th Edition.*

could be reduced without depriving us of that security against foreign attack or domestic disturbance, which is so essential to a community like ours. There is, probably, no fleet or army which effects so much, in comparison with their numerical force, as those of Great Britain. They exhibit, indeed, a remarkable contrast with those of the Continental powers in this respect.

The only portions of the British dominions where a large diminution of the troops now maintained could be safely adopted are the Colonies. In some of them it does appear, that with a system of rule more consonant to the feelings of the inhabitants, a considerable reduction might take place. This remark applies especially to the North American colonies. Our military posts, such as Gibraltar, &c. could not be held safely with less numerous garrisons than those which at present occupy them.*

Some persons maintain that France would disband a portion of her army if we would reduce ours. But this could not be reckoned upon, at any rate to an extent which would render such an anticipatory

* It is no longer true, that any troops are maintained in the Colonies in order to keep down the inhabitants. They are free to remain united to the British Empire or to separate from it, as they think best for themselves.

The considerable body of troops now stationed in the North American Colonies are intended simply to protect them against the possible aggression of an ambitious neighbour, and to form a nucleus, around which their militia and volunteers may gather.—*Note to 4th Edition.*

step on our part safe or expedient. Our military force is already so small that no neighbouring power can attribute to it an offensive character. The garrison of Paris is, perhaps, as numerous as the whole force stationed in the British islands—and 350,000 regular troops are maintained in the interior of France. Is there the least chance that our friends on the other side of the Channel would reduce their home force to 100,000 men? When they shall have done so, we may then reduce our home army without placing ourselves in their power. Great Britain must not be left to the mercy of any foreign state. Steam navigation has greatly affected the question of invasion. A time may come when nations may be induced to enter into mutual agreements for the simultaneous reduction of their fleets and armies. Every real friend of humanity would welcome such an event.

A remark has been made already upon the heavy financial burdens, not apparent in the public accounts, which arise from the existence of a military conscription. In the United States the militia affords an analogous instance in this respect. It is difficult to ascertain whether this force is a reality or a mere name; but a calculation may be ventured on, under the supposition that it receives a certain amount of training. The number of militia enrolled in the United States in 1848, was 1,888,000.* Supposing these citizen soldiers to have been called out

* Since this pamphlet was first published, I have ascertained

five days annually for the purpose of being drilled, and that the loss of a day's employment to each man is equivalent in money value to half a dollar, although a dollar would not probably be an exaggerated estimate in a country where personal services are so dear, we have so far a total of 4,720,000 dollars. Add to this, the charges falling on the separate States arising from the militia--the outlay for Volunteer corps, and the expense of the War Department at Washington, in 1848, \$9,583,000, above £2,000,000, we shall find that the whole cost of the land force in the United States, is perhaps, nearly as large as that of the troops stationed in the British Islands. If a calculation could be made of the real cost to France of her National Guard, taking the loss of time at two francs, or twenty pence per head per day, the result would surprise the reader, while the benefit of that institution has not been very apparent.

We should possess an important means of deciding the question, as to the comparative spirit of economy in different Governments, could we ascertain for each the expence per cent of collecting the revenue--materials have not presented themselves upon this matter, with respect to foreign States, excepting in the case of France. In the that the militia in the United States only exists upon paper. There is, however, a considerable body of volunteers.

The reader will recollect that this was written in 1850, and is of course wholly inapplicable to the present state of things.—
Note to 4th Edition.

Appendix will be found a statement quoted by the Chancellor of the Exchequer during the last Session, which exhibits the cost of collection for various branches of the revenue in France and in England, respectively, during the year 1848. It will be seen that these disbursements are far heavier in the former country than in the latter, in the indirect taxes indeed in a double proportion.

It would be wrong, however, to pronounce at once the opinion, that our Government merits the praise of economy, as compared with that of France, in the proportion indicated by the simple figures of this table. The necessary expenditure for collection varies in the same country for different branches of the revenue, and must differ still more in different countries. This charge *ceteris paribus* ought to be less in England than in France. All then that can be inferred with confidence, is that the English Government has taken full advantage of any superiority it may possess, in this respect, when compared with that of France.

To examine in detail the various circumstances which determine the necessary expense of collecting the revenue, would carry us too far.

We have hitherto looked mainly at the comparative money expenditure of various nations, we will now cast a rapid glance at the evidence of the relative economy of different Governments—which is afforded by a comparison of the number of agents whom they respectively employ.

Perhaps this task is even more satisfactory, because requiring fewer allowances and compensations, than that derived from a comparison of their money expenditure.

We will take first the number of persons employed in the various branches of the civil administration. In 1835, these persons amounted in Great Britain to 23,578,* at an annual cost of £2,786,000,—and there is no reason to suppose that they have materially increased since that period. Of the numbers so employed in continental countries, no knowledge approaching to accuracy is attainable, but we can hardly err in assuming, that for each civil functionary in England, four or five civil functionaries are to be found in most European countries, upon the supposition not always correct, but the best in a general view, that populations equal in amount demand equal numbers of office-holders, and so in proportion. The civil servants of Austria are said to reach 120,000, and those of France are far more numerous. Forty thousand persons are supposed to be there employed under the Minister of Finance alone.

Passing on to a comparison of the numbers employed in the military and naval establishments of different countries, we find that the standing forces of Europe considerably exceed two millions, for an aggregate population exceeding two hundred mil-

* Porter, page 545.

lions ; in short, that they form, upon an average, full one per cent of the whole population, in many countries, far more. If, then, Great Britain were to maintain an armed force in proportion to that of her neighbours, she would have in pay more than 280,000 soldiers and sailors, but her actual forces do not exceed about 160,000, and of these, full half of the army, and a large proportion of the fleet, are permanently stationed at a distance from the United Kingdom, leaving not more than 80,000 ashore and afloat, for the protection of the latter. This of course is more than two-thirds less than the comparative number employed by our neighbours.

France, for instance, has seldom less than 400,000 soldiers with the colours, whilst her naval establishments have recently employed nearly as many men, and cost almost as much as ours ; and it may be remarked, that these vast and expensive instruments of war are not intended, like those of England, for purposes of defence, but for purposes of offence, excepting as the army may be required just now to keep down a turbulent minority. No power thinks of attacking France, or could do so with a chance of success.

The military and naval forces of Russia, are equally beyond her real requirements, they press inconveniently on her population and financial means, and seriously obstruct her prosperity.

The great Powers of Central Europe are the less culpable in this respect, as they are constantly

threatened by one or other of their colossal neighbours.

It must be further recollected, that France, and indeed most European Powers have large trained reserves, which can be called into the ranks at a short notice, and in some instances a National Guard besides, while England has neither, nor any substitute for them, excepting a few enrolled Pensioners, the Yeomanry, and the Dockyard Battalions.*

It is probable that the United States are about on a par with England as to the numbers employed in the civil administration, *comparatis comparandis*, while their regular army consists of only 12,000 men. But it must be recollected, that they have an immense body of Militia and Volunteers, and that they can never be engaged in any but an offensive war of their own choice. Were they placed, like England, within sight of a country until recently bitterly hostile, eager to wipe out the imagined stain of past defeats, and still likely at any moment to fall into the hands of a faction, which might think its interests forwarded by a

* At present, thanks to the patriotism and good sense of the people, England possesses a Militia imperfectly trained, but still capable of rendering good service, and a large body of Volunteers, who, although probably unfit to compete in the open field and alone, with a trained and veteran army of Regulars, would render invaluable service behind walls, and as auxiliaries to our troops of the Line. How changed is the state of things in America, since the time when so small an army sufficed.—*Note to 4th Edition.*

foreign war, and which constantly maintained a powerful fleet, and an army exceeding 400,000 men, besides a large reserve; we have too much respect for the prudence and patriotism of the Americans to doubt, that they would speedily increase their armaments to an amount equal to, if not exceeding those of Great Britain.

At any rate, the impartial reader will hardly fail to acknowledge, that in the numbers of its civil and military servants the British Government exhibits a spirit of economy, which leaves it thus far without a parallel in Europe.

In the Appendix will be found some tabular statements connected with the subject of this pamphlet, which may interest the reader, although it has not been thought necessary to enlarge upon the inferences which may be derived from them.

In conclusion, it is only requisite to re-state the general results, to which we have been led.

It has been shewn in the first place, that the financial burdens of Great Britain as compared with her wealth, have been enormously diminished since the Peace, and that they can impose no serious obstacle to the progress of her prosperity. Secondly,—That they are certainly far less heavy, compared with her means, than those of her nearest neighbour France,—and probably less heavy, than those of the other chief European countries. Thirdly,—That although we cannot arrive at a conclusive and indisputable judgment as to the charge of especial

prodigality often brought against the British Government, yet that there is good reason for considering it to be unfounded, and indeed for the opposite opinion, viz. that the English get a better return for their money paid in taxes than any other European people, when all modifying circumstances have been taken into account.

A few general remarks are reserved for another and concluding chapter.*

* The reader is requested to recollect, that this chapter was written fourteen years ago. He will be able easily to supply those modifications to the facts and inferences which the changes made in the intervening period demand. This general remark is deemed preferable to the plan of encumbering the text with more numerous notes.—*Note to 4th Edition.*

CHAPTER V.

GENERAL REFLECTIONS.

LET us suppose the case of the richest individual in the country, a man of a generous and liberal disposition, possessed of a splendid house and establishment, and who, although his annual expenses were greatly within his income, was haunted by the constant dread of insolvency,—and under the influence of this vain apprehension, allowed himself to be troubled at every small expense which his steward might incur, and even to grudge the trifling cost of locks and bolts for the protection of his mansion against thieves, and of a few tiles, and a little mortar, to repair the roof and keep out the rain, which, without such repair, was likely to injure the foundations; or at any rate, to penetrate into the chambers, and destroy the costly furniture.

Suppose again that this person, thus parsimonious in some things, was usually most thoughtless in what regarded his expenditure. That he was ready to lend his money to any unprincipled schemer or spendthrift, or to engage in the most imprudent and senseless speculations, and thus annually dissipated a greater sum than was required to maintain his domestic establishment and every thing connected with it, on the most splendid footing.

Suppose, in the last place, that this man, in spite

of all his losses and expenses, possessed so vast an income, that at the end of each year, on making up his accounts, he found a very large addition had been made to his capital, which he had great difficulty in employing beneficially, should we not consider him a very unreasonable and inexplicable being—a strange mixture of generosity and niggardliness—of prudence and folly?

If he took us to counsel, should we not recommend him to calm his dread of over-spending his income, to give less credit to charlatans and impostors, to engage in no unreasonable speculations, and to employ a small portion of the money thus saved in putting his mansion into the most perfect repair, so as to avoid all risk from thieves and weather, and to complete his establishment by procuring anything that might be wanting to make it faultless as respected convenience and comfort.

Some readers may be tempted to doubt if anybody at all resembling this individual can really be found; but assuming his existence, none would for a moment hesitate in answering in the affirmative the question thus put to them. Yet this personage really does exist, not indeed as an individual, but as representing the aggregate character and feeling of our country.

The British people, in comparison with all other nations, are exactly in the position of the person thus pourtrayed. They are wealthy beyond precedent in past or present times. They are generous

and liberal in many things. They waste annually in bad debts and abortive speculations a sum larger than the whole annual expenses of the State ; yet they allow themselves to be persuaded that their weal or woe depends upon some trifling increase or diminution in a fraction of this expenditure. They are sometimes seized with such a fit of parsimony that it is with the greatest difficulty they can be persuaded to maintain the military and naval defences of the country in such a condition as not to invite hostile attack ; and at all times they are worse prepared in this respect than any other civilized people, although, from their social and economical condition, they would suffer more than any other from an interruption in the public tranquillity.*

They expend less, comparatively, than any other great community upon education, literature, art, and science ; and when any proposal is made tending to promote these objects, it is constantly negatived on the plea of the expense which it would occasion. Thus we have no handsome and commodious building to hold the pictures belonging to the nation. The public records are rendered almost useless, and exposed to destruction, for the want of some spacious and well-contrived place of deposit ; and our cities and towns are without museums, public walks and open spaces for the recreation and health of their inhabitants, while the public health suffers

* This paragraph is far less applicable to England now than it was fourteen years ago. Many public wants have since been supplied.—*Note to 4th Edition.*

from defective sanitary arrangements, among which we may especially point out the irreverent and disgusting practice of intramural burials.

The English people can well afford the very best Government that money can secure, and they ought to insist upon having such a Government. Those who tell them that an excellent Government is to be had for nothing, are either ignorant on the subject about which they speak, or they intentionally mislead their hearers. On the other hand, the English people should allow of no extravagance or pecuniary mismanagement on the part of their rulers. This, if not ruinous, is at least foolish, unseemly, and corruptive.

It is unnecessary to follow out the line of suggestion thus opened—that the reader can do for himself; and we will, therefore, pass on to a few observations arising from the present troubled state of Europe, as connected with our subject.

Since the French Revolution of February, 1848, almost every country of the Continent has been convulsed by civil commotions. The popular mind has never been so strongly excited during the long interval which dates from the great religious movement of the sixteenth century. Theological disputes do not enter to any considerable extent into this grand conflict of interest and opinion; but with that exception, almost every element of social and political discord is in full activity. We have noble and generous, although sometimes misdirected aspirations for freedom. The hatred and opposition of races.

The eagerness of the middle classes to throw off the chains imposed by privilege, or by a complex and interferent Bureaucratic centralization, and to secure the reins of power for themselves. The efforts of ambitious and unprincipled men to snatch the power and profit, of which their late occupiers have been deprived; and finally, and above all, we have the struggles of that class, the lowest and most numerous in the social scale, to procure, by force, those physical advantages of which they see others in possession, and which they believe to be denied to themselves, simply through the effect of unrighteous legislation. During the last half century a great advance has been made by every order of men in respect of their economical condition. All now consume better food and wear better clothing than fell to the share of their predecessors a generation or two ago. Steam engines, railroads, &c. &c. have been as conducive to the comforts and enjoyments of the poor, as to those of the rich. Still, on the whole, the advance in the physical and social condition of the poor has been less conspicuous than in that of the middle and upper classes. There remains everywhere an amount of suffering arising from poverty, painful to the eye of humanity, and the more keenly felt by those who endure it, because they see more clearly than formerly the luxury of those above them, and are more fully persuaded that their sorrows and privations arise in a great degree from the cruelty and selfishness of the possessors of

power. Thus, then, we have in full activity that struggle between "those who have, and those who have not," which has existed in one shape or other since the institution of property. It is at all times difficult to persuade mankind that their privations arise from their own fault, or from the necessary circumstances of society. Speculative and benevolent men, as well as political incendiaries, have felt this, and have devised social systems which profess to remedy the evils apparent in the existing order of things. Hence we have Owenism, and St. Simonianism, and Fourierism, and the Icarian scheme; the various contrivances to modify or do away with private property, and to substitute what is called a co-operative, for a competitive scheme of society. These opinions, modified and diluted, have extended their influence to men and classes, who doubtless imagine that they have nothing in common with those whom they look upon as anarchists. Yet the opposition to the New Poor-law in England was partly based upon doctrines which differ only in degree from those of Louis Blanc, and which, if carried out, would, perhaps, lead to consequences almost as disastrous as "the organization of labour."

All the vain dreams above alluded to, are directly opposed to the doctrines of the best and greatest Teachers of mankind. That man shall live by the sweat of his own brow, and not upon the industry of others. That our weal or woe even in this world must mainly depend upon our own conduct. That

an attempt to enforce equality of condition on mankind, is as certain to fail, as would an attempt to endue all mankind with the same intellectual, and physical powers, or even the same stature. That to take property forcibly from its possessors, and to bestow it upon one great corporation formed of all the members of society, is the surest mode to destroy it. All these and many similar opinions, are either the expressed doctrines of the wisest philosophers, or are legitimate inferences from those doctrines. Nobody can be more deeply convinced of their truth than the author, nobody feels more absolute confidence than he does, in the failure of any social or political scheme, which proceeds from, or carries along with it any attack on the right of private property. It is very easy to plunder the rich, to make them poor, but in so doing, to make all the poor rich, is a result which neither legislative skill, nor despotic power, can effect. Poverty and wealth, like health and sickness, strength and weakness, will exist as long as our race shall continue to inhabit this earth, although it may be hoped, that mainly through the growth of individual knowledge and virtue, poverty will become less and less afflictive, with each succeeding generation. One of the best modes by which the legislator can accelerate this desirable progress, is by taking a course directly opposed to that advised by some of our fashionable teachers, that is by rendering property even more secure than at present, and by facilitating its

transfer in greater or smaller portions from one individual to another, in the hope that it may thus on the whole, although with numerous exceptions, fall into the hands of those, who most deserve, and will best employ it.

The influence of government on the happiness and prosperity of nations and individuals is doubtless great—still this influence may be over-estimated, and there is at present a tendency in the public mind, to throw upon the sovereign authority, whatever that may be, a degree of responsibility in this respect far greater than fairly belongs to it.

The lines at the close of Goldsmith's Traveller, which are understood to have proceeded from the pen of Johnson, contain a great and important truth expressed with exquisite terseness and beauty,—

“How small, of all that human hearts endure,
“That part, which laws or kings can cause or cure.”

But although the wild doctrines of Communism, and its kindred theories, if transferred from the domain of speculation to that of actual practice be doomed to inevitable failure. If the attempt to make the poor rich, by forcible transfer of the property of the opulent to them, can only tend to make poverty general to all. If an effort to introduce at once an equality of condition, be founded on a misconception of the general tendencies of human nature, and of the circumstances, which on the

whole are calculated to promote the widest extension of virtue and happiness. If the maintenance of the right of property to individuals in what they have inherited or acquired, be a condition essentially necessary to the progress of wealth and civilization, it does not follow, that this right of property possesses that peculiar character of prescriptive holiness which some persons would attribute to it. It lies not beyond the line of human legislation, but within it, and is to be regarded by the light of considerations drawn from public utility.

No divine injunctions interfere with the human legislator, in dealing with questions of property. The law of Moses left far less to the free disposal of individuals as respects property than is now thought consonant to the well-being of society. The blessed Author of Christianity, while strongly inculcating on his followers, kindness, benevolence, and charity, imposed no rules of action which can oppose any obstacle to the freest exertion of our reason in this important branch of social economy.

The errors of the Communists respecting property, if closely examined, seem to lie much more in their rejection of the ordinary maxims of social and political philosophy, than in the positive doctrines which constitute the foundation of their opinions.

It may be allowed to them that the State, saving an equitable compensation for existing interests, is

justified in regulating the possession of property in such a way as it deems most consistent with the common good. One might even perhaps go so far as to allow that in an enlarged point of view, the property now belonging by law to all the persons forming the State, may be regarded as belonging to the whole community. This admission, however, is quite compatible with an utter rejection of Communistic views in general.

The opinion that all practical legislation connected with property should be guided by the rule of utility, would lead to a more enlarged view of the duties of Government, as respects the mass of the people than is usually entertained, or than will perhaps be palatable to many readers. And here the connecting link presents itself between what has immediately preceded, and the main subject of this pamphlet.

There are many objects conducive to the public morality, health, or enjoyment, and involving expenditure, for the providing which, through the medium of taxation, the poorer members of the community seem justified in calling for the aid of their wealthier brethren. These objects are now either insufficiently afforded, or not provided for at all. As a specimen of these may be mentioned protection against foreign attack, or internal commotion. The labouring class suffer more than any other, as we have seen in France, from an interruption of public tranquillity. This protection is provided for in

England to a certain extent, although less perfectly than might be desired. Education, though first in importance, may be mentioned next, and is recognized by most of us, although not by all, as justifying an outlay of public money. That more has not been spent upon it, is mainly owing to the difficulties arising from differences of religious opinion. These differences form an invincible obstacle to the providing places of worship, and to the maintenance of Ministers of Religion for the whole population at the public expense, but there are other matters of general utility, to which similar obstacles do not exist, and where the duties of the State would seem to be imperative. It would take up too much space, and carry us out of our province to do more, than allude to them. A few may be mentioned—Museums, Parks, and Gardens, near all great towns, and open to all. Vacant spaces for athletic sports or other recreation, in every parish in the country. The best attainable sanitary arrangements. It is pitiable to think that in many parts of the country, the population, and especially the children, have no other place for exercise than the dusty road. The enclosure of Commons in most districts has gone quite far enough, in many too far. Not that the poor are thus deprived of any considerable pecuniary advantage, but that they lose the means of innocent diversion. The sight of wild nature is delightful and invigorating, and it would be a matter of sincere

regret, if from an ill-considered system of economy, such public possessions as the New Forest were to be sold and divided. Rather let something be spent in making them accessible, as the object of a holiday excursion, to the Tradesmen and Artisans of the metropolis and other large towns, and their families, if private enterprise will not do this. The creation of the Victoria and Battersea Parks do credit to the Statesmanship and kindness of our age.

Before quitting this part of our subject, the reader's attention may be usefully called to the conduct of our brethren on the other side of the Atlantic, as respects Education and Public Schools. If in other respects, they study economy in the public expenditure, in their efforts to promote Education, they are, according to some, generous, and wisely lavish even to a fault. Mr. Mackie (*Western World*, vol. 3. p. 235, *et seq.*) informs us, that were Great Britain to devote £2,288,000 to this object annually, instead of £100,000, she would only place herself on a level with the State of Connecticut.

Sir C. Lyell, (vol. 1, p. 191, second Tour,) states, that Massachusetts is still more bounteous as respects Education, and that seven millions spent by Great Britain annually upon it, would only place her on a footing of equality with her republican descendant.

The other New England States, and New York, fall little behind Connecticut in the pecuniary sacrifices which they make on behalf of Education.

All the remaining free States follow in the same noble path. Even in the Slave States, the education of the white population is not neglected by the respective Governments.

In one British possession, Nova Scotia, a large sum, speaking comparatively, has been devoted to education, and with the best results.

Expenses for the attainment of objects, such as those just alluded to, should be thrown so far as practicable on the municipalities, that is to say, on towns, parishes, unions, and counties, rather than on the general revenue of the State, and should be chargeable not merely on real, but on personal property also. There is no ground of justice or policy, for excluding personal property from this new charge, although it would be inexpedient for many reasons, to relieve real property from the burdens in the shape of Poor and County Rates, &c., which it has hitherto borne.

Among the other advantages which would arise from making the description of charges here pointed out municipal, rather than imperial, one of the most important would be that of maintaining and even of strengthening the principle and practice of self-government among us. Those who have most attentively regarded the existing troubles of the Continent, will feel most sensibly the enormous evils, which flow from the keeping a people in a state of tutelage, and subject in all its political arrangements to the control of a highly centralized admi-

nistration, whether the Bureaucracy emanate from an Emperor or King, or from a Democratic Chamber. Over-government is a great evil, and in the ascent from the lowest to the highest authority, as much power should be left with each grade in the hierarchical arrangement in an ascending order, as it can properly employ. In this respect, the United States can furnish important lessons.

We need not fear, that the measures above suggested for the health, recreation, and mental improvement of the mass of a community like ours, could impose any severe burden on the possessors of property. A moderate outlay once for all, and an annual charge, which if equally distributed would hardly be felt by the tax-payer, would fully accomplish all that can be desired. A tithe of the sum now annually wasted in abortive speculation, as has been pointed out in the first chapter, would probably supply all our wants under this head for years. The line of policy here suggested involves no novelty in legislation. It was widely adopted, however ill-directed, by the great nations of the ancient world in their public games, religious festivals, and theatrical representations; and the Romans, in their distributions of relief to the poorer class, carried it to a most pernicious excess; for we must never forget, that we usually create more misery than we relieve, when we attempt to make up the earnings of the labouring classes from the produce of a tax, and to erase from their minds a reliance

on their own industry, providence, and forbearance, as the essential condition of their well-being. The "Circenses," which the Poet describes as having been desired by the Roman people, might have been granted them without much injury had these public spectacles been of a less brutalizing and degrading character. It was the "panem," and not the "Circenses," the largesses of food, &c., and not the public games which proved, by undermining their independence, an efficient cause of their ruin, and of the downfall of the Empire.

The English Poor-law may seem to fall under the ban of the general principle, thus propounded. It is unnecessary to point out the circumstances which confer upon it a highly exceptional character, and make it on the whole an instrument of good, although attended with some evils, and a constant and most dangerous liability to abuse.

The religious festivals of Roman Catholic countries may be considered as the representatives of the public amusements of antiquity, and as sanctioned by a policy the same in principle as that now commented on.

In the course of the preceding discussion, considerations have been suggested, which to many persons may appear of a very novel character, and conclusions have been arrived at, in some respects, greatly opposed to the prevailing opinion. The writer does not expect to escape hostile criticism ;

indeed, he invites the severest scrutiny of his facts or arguments, under the conviction that he has been guided throughout by a sincere intention to discover and maintain the truth. He will rejoice if he has in any degree contributed to convince the public, that our fiscal burthens are not really oppressive, and that all that is requisite for maintaining unimpaired the national faith, and for promoting the security and prosperity of the English people, so far as public expenditure is involved in the realization of these important objects, can be attained without any undue pressure on our resources.

Should the public attention be directed to questions connected with the positive and comparative taxation of various countries, fresh facts will probably be discovered, calculated to throw light upon them. It is possible that some errors may be detected as to matters of detail in what has preceded, or that doubts may be raised as to the correctness of some of the arguments propounded; but the writer has no apprehension that his leading facts can be shewn to be erroneous, or that the general course of his reasoning can be successfully impugned.

A just confidence in the abundance of her resources for all necessary and useful purposes, and a wise discrimination in selecting those purposes are all that is requisite to establish the general

well-being, and to place the finances of the country, so far as falls within the province of the Government, on a solid foundation.

The accumulated capital of Great Britain, and the annual addition made to it from the savings of individuals, and the profits of successful enterprise, are large beyond calculation. The national industry is applied with greater advantage, and is productive of greater wealth than that of any other people.

We are no longer subjected to the heavy pecuniary losses caused by the unwise commercial restrictions which formerly existed, and to the evil effects of which other countries are still subjected.

Under these favourable circumstances, we may, without difficulty or interruption to the steady progress of our prosperity, find means of meeting every fiscal demand which may be necessary for maintaining public faith, for protection against foreign attack, or domestic disturbance, for internal improvements, or for the maintenance of every institution belonging to a good Government, and conducive to the social or moral progress of the people.

We have only to believe ourselves rich, and we are rich. We have only to place faith in our means, and they will be found sufficient for every needful or rational purpose. But real weakness may be created by yielding to apprehensions, which have their origin only in ignorance, and many of the

worst effects of national poverty may be produced by an insufficient appreciation of the strength of our resources, and by a short-sighted impatience of fiscal pressure, which is really light in itself, and utterly insignificant when compared with the value and importance of the objects for the attainment of which it is imposed.

APPENDIX.

I.

Porter, p. 357-8.

Years.	OFFICIAL VALUE.			Real or declared value of British & Irish Produce & Manufactures Exported.
	Imports of Foreign and Colonial Merchandise.	Exports of Foreign and Colonial Merchandise.	Exports of British and Irish Produce and Manufactures.	
	£.	£.	£.	£.
1814	33,755,264	19,365,981	34,207,253	45,494,219
1815	32,987,396	16,748,554	42,875,996	51,603,028
1816	26,431,604	13,480,780	35,717,070	41,657,873
	94,174,264	48,595,315	112,800,319	138,755,120
Average 3 Years	31,391,421	16,198,438	37,600,106	46,251,706
Deduct for Depreciation of Bank Notes }	. . . .	. . . .	. . . .	9,250,341
				37,001,365
1843	70,093,353	13,956,113	117,877,278	52,278,449
1844	85,441,555	14,397,246	131,564,503	58,584,292
1845	75,281,958	16,280,870	134,599,116	60,111,081
	230,816,866	44,634,229	384,040,897	170,973,822
Average 3 Years	76,938,955	14,878,076	128,013,632	56,991,274

The Trade of Transit exhibited in the 2nd column has increased but little. During the War, England was the great Entrepôt.

II.

INCOME.				EXPENDITURE.			
Years.	Amount of Revenue paid into Exchequer.	Amount received on account of Loans.	Total amount raised for Public Uses.	Interest paid on Public Debt, Funded and Unfunded.	Sums applied to redemption of Public Debt beyond amount of Loans in Year.	Current Annual Public Expenditure.	Total amount paid & expended in the Year.
1813	68,748,363	39,649,282	108,397, 65	28,030,239	...	77,913,488	105,943,727
1814	71,134,503	34,563,603	105,698,106	30,051,365	...	76,780,895	106,832,260
1815	72,210,512	20,241,807	92,452,319	31,576,074	...	60,704,106	92,280,180
	212,093,378	94,454,692	306,548,070	89,657,678	...	215,398,489	305,056,167
Average	70,697,792.2	31,484,897.1	102,182,690	29,885,892.2	...	71,799,496.1	101,685,389
1843	52,582,817	...	52,582,817	29,269,160	8,741	21,870,353	51,148,254
1844	54,003,754	...	54,003,754	30,495,459	1,563,361	20,152,189	52,211,009
1845	53,060,354	...	53,060,354	28,253,872	4,143,891	20,988,840	53,386,603
	159,646,925	...	159,646,925	88,018,491	5,715,993	63,011,382	156,745,866
Average	53,215,641.2	...	53,215,641.2	29,339,497	1,905,331	21,003,794	52,248,622

III.

SINCE the above was written, I have discovered in Porter's "Progress of the Nation," p. 506, a different, and probably a more correct estimate of the population at the periods referred to, than that given in the text.

Mr. Porter calculates that the population stood thus :—

1813	19,076,000
1814	19,341,000
1815	19,606,000
	<hr/>
	58,023,000
	<hr/>
Average of these years . . .	19,341,000
And in 1845	28,041,000

The latter amount has been obtained by an addition of 1.065 per cent. each year to the ascertained population of 1841. This would add about 280,000 to the estimate for every year up to 1849, and raise the estimate for the latter year to about 29,100,000. From this amount, however, would have to be deducted the probable, although unascertainable reduction produced in Ireland by the extra-mortality and vast emigration, resulting from the potato disease. Upon this latter circumstance, however, it may be remarked, that an increase or diminution of population in Ireland can produce but a trifling effect on the tax-bearing capability of the United Kingdom. Ireland contributing only about £4,000,000 to the whole imperial revenue of fifty-two millions.

On the whole, I see no sufficient reason to alter the estimates in the text to those of Mr. Porter, although the latter may be more correct than mine.

Minute accuracy on such points is not necessary for the argument : which only requires proportionate results tolerably near the truth. The relation of about nineteen to twenty-eight between the population during the last years of the war and now is what we both arrive at.

IV.

AN ACCOUNT OF THE PUBLIC INCOME AND EXPENDITURE
OF FRANCE IN EACH YEAR, FROM 1802 TO 1848.

Years.	Income.	Expenditure.	Years.	Income.	Expenditure.
	franca.	franca.		franca.	franca.
1802	....	589,500,000	1826	982,728,455	976,948,919
1803	....	632,279,513	1827	948,354,039	986,534,765
1804	....	804,937,555	1828	1,028,868,187	1,024,100,637
1805	....	700,000,000	1829	1,021,890,093	1,014,914,432
1806	....	902,148,490	1830	1,035,956,251	1,095,142,115
1807	....	731,726,686	1831	1,310,378,678	1,219,310,975
1808	....	772,744,445	1832	1,154,431,488	1,174,350,197
1809	....	786,740,214	1833	1,162,821,797	1,134,072,914
1810	....	785,000,442	1834	1,042,193,157	1,063,559,443
1811	....	1,006,014,000	1835	1,051,880,927	1,047,207,680
1812	....	1,000,000,000	1836	1,085,631,652	1,065,899,158
1813	....	975,453,797	1837	1,090,538,833	1,078,902,494
1814	560,055,255	572,293,587	1838	1,158,834,930	1,135,184,820
1815	876,818,232	931,441,404	1839	1,203,141,065	1,178,690,702
1816	1,036,804,350	1,055,854,028	1840	1,242,980,600	1,363,711,102
1817	1,270,312,550	1,189,253,628	1841	1,415,779,706	1,425,239,623
1818	1,414,080,685	1,433,746,666	1842	1,334,762,321	1,440,974,148
1819	936,658,784	896,000,028	1843	1,382,930,516	1,445,265,741
1820	939,238,063	906,729,666	1844	1,393,135,952	1,428,133,943
1821	934,771,514	908,344,345	1845	1,400,802,286	1,489,432,099
1822	949,932,891	949,174,982	1846	1,409,616,597	1,566,525,592
1823	1,042,747,134	1,118,025,162	1847	1,357,343,325	1,664,372,390
1824	989,563,042	986,073,842	1848	1,487,324,818	1,817,642,708
1825	978,812,347	981,972,609			

V.

ACCOUNT OF REVENUE AND EXPENDITURE IN VARIOUS COUNTRIES
IN EUROPE AND AMERICA.

	Population.	Revenue.	Charge for Public Debt.	Charge for Army, &c.	Taxation per head.	Taxation per head exclusive of D. bt.
		£.	£.	£.	s. d.	s. d.
Austria . .	35,800,000	15,154,556	6,700,000	5,000,000	8 6	5 0
Bavaria . .	4,500,000	3,173,640	874,629	731,997	14 1	10 2
Belgium . .	4,335,319	4,704,490	1,272,539	1,597,600	21 8	15 10
Denmark . .	1,350,327	1,869,794	445,725	..	16 8	12 8
Duchies . .	888,750					
Spain . . .	12,386,841	12,577,805	1,269,800	3,633,700	20 0	18 3
France* . .	35,400,486	54,293,733	15,143,835	17,768,566	29 7	22 1
Portugal . .	3,745,000	2,968,076	868,685	908,395	15 10	11 2
Holland . .	3,200,000	5,964,457	3,027,476	972,916	37 3	18 4
Prussia . .	16,000,000	9,905,205	1,404,305	3,865,575	12 4	10 7
Russia . . .	54,092,300	20,000,000				
Sardinia . .	4,650,000	3,160,000				
United States of America } Venezuela .	20,000,000 1,267,692	9,959,166† 379,364	723,772 60,584	8,600,333 241,158	10 0 6 0	9 3 5 0

* The expenditure of France has been much larger recently.

† This sum includes the Expenditure of the several States.

VI.

EXPENSES OF COLLECTION.

ENGLAND—1848.

	Per cent.	£.	£.
Taxes . . .	£3 6 2 ..	10,166,000 ..	341,000
Stamps . . .	2 4 4 ..	7,670,000 ..	163,800
Excise . . .	5 18 2 ..	13,919,000 ..	222,900
Customs . . .	5 15 3 ..	21,655,000 ..	1,304,000
		<u>£53,410,000 ..</u>	<u>2,731,500</u>
Post Office . . .	63 0 0		

FRANCE—1848.

	Per cent.	Francs.	Francs.
Contributions directes . . .	4 ..	226,040,000 ..	17,218,000
Enregistrement, Domaines, et Timbre . . .	5 ..	214,869,000 ..	11,359,000
Douanes . . .	13 ..	193,823,000 ..	25,790,000
Contributions Indirectes . . .	12.69 ..	169,325,000 ..	21,435,000
		<u>f. 824,057,000 ..</u>	<u>75,802,000</u>
Post Office . . .	70		

This account does not comprehend the whole produce of
Taxation in France.

SUPPLEMENTARY CHAPTER.

CONTINUATION OF FINANCIAL REVIEW TO THE PRESENT TIME.

CHAPTER VI.

SINCE the first publication of this pamphlet in 1850, great changes have taken place in the financial condition of almost all countries. These changes consist in a general increase of Revenue, Expenditure, and Debt.

The causes of this increase of financial burdens may be arranged under three heads:—

1. The demand for those internal improvements, all of them costly, which a people advancing in wealth and civilization requires from its Government, such as better means of communication, improvements and extension of education, or a more efficient and costly judicature.

2. Revolution.

3. War.

A slight augmentation in the Budget would usually however suffice under the first head. The two last are far more important elements of financial pressure.

Few, if any, of the great nations of the world, have been exempted from the influence of one or both of these last-named disturbing causes during

the last few years, and it may be laid down as a general rule, that they are the most expensive undertakings in which a people can engage.

They ought not, however, to be considered as the source of unmixed evil. On the contrary, they have each formed a link in that series of events, by which the happiness and improvement of the human race have been brought to a state superior to anything known in former ages. This being allowed, it is no less certain that they have always occasioned increased expenditure.

Indeed it would be difficult to find in history a single instance when, after a revolution, or a great war, it is not discovered that the disbursements of the Exchequer are greater than they had been before the occurrence of these disturbing causes.

England happily has not experienced the evils of revolution in modern times, but the other causes of increase in the public expenditure, have been felt here as among our continental neighbours. We have found it expedient to incur a larger expenditure in the civil departments of the State, and have engaged in one great war, which was, happily, but of short duration.

The result has been, that we spend much more than we did fifteen years ago, and we see in the recognized organs of public opinion, a renewal of the complaints so frequent formerly, that our expenditure has become unreasonably large, and that a resolute attention to economy in all the

Departments of the State is requisite for the relief of the taxpayers.

The object of the following pages will be, in the first place, to exhibit the amount of increase in our expenditure; then to examine whether the burden thus thrown upon us, is, or is not, fully compensated by our increased means of bearing it, and then to compare this increase of our expenditure with the augmentation of expenditure in other countries, in order to determine whether we endure a pressure from which they are exempt, or have only to complain of an evil common to all the world, from which our neighbours suffer, as much or even more than ourselves.

In short, we shall carry forward to the present time that scrutiny which has occupied the preceding pages of this publication.

It must constantly be borne in mind, as before remarked, in the 2nd Chapter, p. 11, that it is not the absolute, but the *relative* amount of taxation and expenditure which it is important to consider—that as one individual may be justly deemed penurious if spending £5000 per annum, when another may be called a spendthrift although spending only £500—so a rate of taxation raising 50s per head in one country, may be borne with ease, while 10s a head raised by taxes in another country may even trench upon capital, and in so doing spread distress and poverty through the land.

In the following remarks, round numbers will be

usually employed for the sake of convenience, but in the Appendix exact figures will be exhibited for the satisfaction of the more scrutinizing and critical reader.

The expenditure of the country, from twelve to fifteen years ago, the period with which our present expenditure is to be compared, was about fifty-six millions, including in that sum four millions for the cost of collection, — an item which did not then appear in the Budget of the Chancellor of the Exchequer.

The annual expenditure of the last two or three years, and the probable expenditure hereafter, supposing we remain at peace, may be taken at from sixty-seven to sixty-nine millions, being an excess of from eleven to thirteen millions, or from 15 to 18 per cent. over that of the period preceding the Russian war.

The above is a simple statement, involving no doubt. We have now to see how nearly the above increase in our burdens may have been met by an augmentation of wealth, so great, as to render the addition to them merely nominal.

Here we are met by considerable difficulty. No register of the positive amount of wealth exists; we can merely take a number of indications which, without attaining absolute certainty, may nevertheless produce a moral conviction.

Let us look then at the changes in the great elements of wealth which have taken place during the period we are now reviewing.

The population of the United Kingdom about twelve years ago was 27,700,000. According to the Census of 1861 it was 29,300,000; and may now be taken at about 29,600,000.

This is an increase of about 9 per cent.; but it must be remarked that the population of Great Britain has advanced much faster than the above per centage, viz. from 20,930,000 in 1851 to 23,120,000 in 1861. It may now be estimated at nearly 24,000,000,—say 15 per cent. beyond that of 1851. The population of Ireland has undergone a diminution; but the emigration from that country cannot be considered as having impoverished the Empire. The emigrants from Ireland take with them little or no capital. They depart because they are not wanted at home, and their absence leaves the wealth of the country undiminished.

The case, however, is different with the increase of population in Great Britain. There, labour is remunerative, and wanted in most of the large fields of production. The condition of the population, notwithstanding the increase in its numbers, has generally improved, and we may safely infer that the addition of 15 per cent. in number implies a still larger addition to the national wealth. This inference, moreover, receives confirmation from other facts.

Between 1848 and 1862, taxes producing annually £31,090,000 were repealed, and taxes calculated to produce £26,950,000 were imposed, leaving a balance of relief to the taxpayers amounting to

£4,144,000, and yet the revenue of 1848 was £57,860,000; that of 1862, £70,280,000.

The taxation of England is imposed either on property and income, or on commodities. An increase in the productiveness of any fixed amount of taxes, affords then, incontrovertible evidence of a corresponding increase of property and income, or of commodities; in other words, of the wealth of the country.

When, therefore, we find that an actual decrease in the amount of taxes levied is accompanied by a large increase in the revenue, we have the most certain evidence that such a result can only proceed from a large augmentation in the national wealth.

In other words we paid seventy millions with less real sacrifice in 1862 than we had paid fifty-eight millions in 1848.

Again, the imports of the United Kingdom in 1852 were 113 millions—82s per head of the population. In 1862, 225 millions—154s per head, an increase of nearly 100 per cent. The exports in 1852, 78 millions, or 56s per head, were, in 1862, in spite of the American war, 123 millions, or 84s per head, an increase of 60 per cent.

The income tax in Great Britain in 1852-3 was assessed on 234 millions; in 1859-60 on 282 millions. The increase being at the rate of nearly 20 per cent.

The duty on fire insurances produced in 1853 £1,270,000; in 1862, £1,660,000; the property insured in the first year being valued at 890 millions,

in the last at 1162 millions, an increase of more than 30 per cent. Both have greatly increased since.

The inhabited house duty is steadily increasing. The annual value of houses in Great Britain exceeding £20 per annum, was £22,500,000, in 1855; £25,200,000, in 1860; an increase of 9 per cent. in five years.

The number of ships registered was in 1848, 25,600, with a tonnage of 3,400,800; in 1862, ships 28,440, tonnage 4,924,400.

The number of seamen had not increased in the same proportion, being 144,000 in the former year, 146,000 in the latter.

A sufficient cause may be found for the small augmentation in the number of seamen from the larger size of the ships now employed, the less time occupied in most voyages, and the more extensive use of steam in the mercantile marine.

Additional evidence of an enormous increase in the wealth of the community may be found in the comparative ease with which the Cotton Famine has been borne.

We might now pass on to the next branch of our subject, viz. a comparison between the expenditure and taxation of England, and that of other civilized countries. It may be interesting, however, first to direct the reader's attention to a subject of much interest, which has been well elucidated by a writer in the "*Economist*," in the numbers for the 12th and 19th December last, viz. the amount of the annual accumulations of Capital in the United King-

dom. In opposition to a vague opinion that these accumulations amount to only sixty millions, it is there shown with as much certainty as so difficult a subject admits of, that from 1854 to 1859 they reached annually 114 millions, and are now 130 millions.

In looking at the above figures, one important matter must not be left out of consideration, viz. The diminution in the value of gold, the standard of our currency, during the last few years, owing to the recent gold discoveries.

The fall in gold, affecting both sides of the account—the receipts as well as the expenditure—leaves unaltered the relation between them. It becomes important, however, when we compare present, with former Budgets.

That gold has declined in value, owing to its greater abundance cannot reasonably be doubted, but to estimate accurately the amount of depreciation, is a difficult task.

The depreciation of gold, when compared with silver, amounts to 3 per cent. at least; but then silver must have fallen also in its relation to commodities, inasmuch as it forms a portion of that mass of money which constitutes the circulating medium of all countries.*

* The production of silver has increased of late years although in less proportion than that of gold. The establishment of a strong and equitable Government in Mexico would be speedily followed by a large augmentation in the returns from its mines, the great source of supply.

Attempts have been made to solve this interesting question, by comparisons between the prices of commodities in recent times, and those current before the gold discoveries.

Some years ago, an elaborate investigation set on foot by Mr. Newmarch, failed to convince him that a rise in general prices had then taken place. More recently Mr. Jevons has shown strong grounds for the conclusion that a rise in general prices has occurred of from 9 to 15 per cent.

This is a difficult question into which I do not now propose to enter at length. The facts and arguments adduced by Mr. Jevons seem however to me conclusive as to the general fact of depreciation in our monetary standard, during the last ten or fifteen years, of from 5 to 10 per cent at least. At whatever rate it may be fixed, by so much is the burden of any given amount of taxation lessened, in comparison with a similar amount a few years ago.

The reader will recollect that an allowance was made for the depreciation of Bank Notes, when reviewing the expenditure of Great Britain at the close of the revolutionary war, and will make, for himself, a reasonable allowance for the depreciation of gold, at present.

We now proceed to the second part of our subject, viz. a comparison between the financial burdens of England, and those of other countries.

It was shown in the earlier chapters, that about 1850 the English people were far more lightly taxed than their French neighbours. That they were pro-

bably better off in this respect than any important European people, and that if the Americans had an advantage over them, that advantage was less than was then commonly supposed.

Let us now turn our attention to the financial condition of the principal European countries, in order that we may compare it with that of the United Kingdom.

We will here deal mainly with results, referring the reader, who desires further information, to a Table in the Appendix.

The Revenue of France which had been about 55 millions, or 30s 6d per head of the population, in 1847, had risen to 74 millions, or 39s 7d per head in 1861. That of Austria, about 17 millions, or 10s per head, in 1847, was nearly 30 millions, or 17s per head, in 1861. Prussia, between 10 and 11 millions, 13s 8d per head, in 1847, was between 22 and 23 millions, 22s 4d a head, in 1861. Russia, 46 millions, 16s 3d per head, in 1847, was 48 millions, 15s per head, in 1861. Holland 7 millions, 47s per head, in 1847, exceeded 9 millions, 50s per head, in 1861. We must recollect, however, that no inconsiderable portion of the Dutch revenue is a tribute from Java, levied by an elaborate system of semi-serfage.

It must be remarked that the revenues here mentioned do not include sums raised by loan. Loans in England were few and small. In most other countries numerous and large. Attention is particularly requested to the fact, that the above figures do not

include the produce of loans, because in the earlier chapters and in the first Appendix, all expenditure from whatever source was included in the statements given. Had this comparison been now made between the whole receipts or total expenditure of the several countries, the result would have been still more to the advantage of England.

As to the effect of loans on the national wealth the reader is referred to pages 21, 22, 23.

Having thus exhibited the leading elements in the financial position of the above countries, let us compare them with those of the United Kingdom.

In 1847, the revenue, including cost of collection, was above 51 millions, 37*s* 8*d* per head. In 1861 the revenue was about 67 and a half millions, 43*s* per head.

Now, we think it impossible for any unprejudiced reader who shall attentively reflect upon the import of the above figures, not to feel persuaded that the inhabitants of the United Kingdom are called upon to contribute to the service of the State a far lower percentage of their incomes than their continental neighbours ;—that a contribution of 43*s* per head presses far less heavily on them, than one of 39*s* 7*d* on an average Frenchman, 17*s* on an average Austrian, 22*s* 4*d* on a Prussian, 15*s* on a Russian, or 50*s* 7*d* on a Netherlander.

If there can be a doubt as to any of these people, it must be as respects the Dutchman, for he is probably quite as rich, possibly richer, than the average Englishman. With regard to the other countries

mentioned above, we may feel convinced that the average wealth of an Englishman is twice as great as the average wealth of a Frenchman, and three or four times as great as the average wealth of most other Europeans.

There is another consideration respecting the expenditure of a country which now requires attention. It has been already alluded to in the 3rd Chapter, p. 57.

One part of that expenditure is employed to defray the cost of the civil and military establishments, another is applied to the payment of interest on the Public Debt.

The former may be called the active, the latter the passive expenditure.

The National Debt of the United Kingdom exhibits the peculiarity of not having increased since the Revolutionary war. Although borrowing on a large scale has been resorted to on three occasions, viz. for Slave Emancipation, the Irish Famine, and the Russian War, yet, repayments of various kinds have left the nominal amount of the Debt much as it was in 1816. The interest on it has been reduced about six millions per annum in the interval.

And here it may be remarked, repeating an observation made in the second chapter, page 31, that the payment of dividends to English stockholders is hardly more than the transfer of income from one class to another, the receiving class being quite as likely to economize and thus add to the wealth of the country as the tax-payers. The absolute loss consists merely

in the costs of collection and of the sacrifices imposed on productive industry by taxes interfering with the natural application of capital, which in our case is small.

Where the stockholders are foreigners, this reasoning, of course, does not apply, but foreign holders of English stock are few.

Notwithstanding the economical tendencies of our Government, evinced by the reduction in taxation and the stationary amount of the debt, the latter still exceeds that of any European State, and reduces, to a large extent, that part of the public revenue which can be devoted to active expenditure. A few examples will show the results of a comparison between the active expenditure of various European countries. Thus then, in 1861, the active expenditure of Great Britain was 27*s* per head; of France, 29*s* per head; of Prussia, 20*s*; of Holland, 35*s*; of Belgium, 19*s*.

In the third chapter the rate of taxation in the United States was alluded to. In the present calamitous condition of that country it is impossible to form an estimate of the fiscal burdens thrown on the two parties in the great contest. Nor could a state of things so abnormal afford any useful basis of comparison with the fiscal burdens of European countries. We can only remark, that since Man combined with Man to form the Societies which we call States, there was never seen anything approaching to the lavish expenditure, to the sacrifice of the

fruits of human industry, which is now going on in the Federal and Confederate States.

After what has preceded, it may be safely affirmed that the charge of extravagance so often brought against the British Government in former times, and refuted in the previous chapters, is equally unfounded now.

What was said in the third chapter (p. 44) as to the cost of a Conscription, which exists in all civilized countries except England, is, of course, applicable to the state of things now existing in the world. A Conscription is sometimes expedient, indeed necessary for the purpose of national defence. It might become so here, were we compelled to engage in a great war; but wherever it exists a large pecuniary burden, is by that very fact, imposed on the people, which does not appear in the financial accounts.

Something like a clue may be obtained for the solution of the problem as to the pecuniary burden imposed by a Conscription on looking at the sums received in France from those who buy exemption from personal service. These have amounted, *in the last few years, to many millions*, and exhibit all the characters of a tax.

The State, however, has gained an additional advantage in the improvement of its army, by the substitution of old for young soldiers—of volunteers for pressed men.

In the earlier chapters we have shown how economical is the spirit of the English Government, as

evinced in the small number of placeholders employed in the Civil Service, when compared with the corresponding class in foreign countries. The difference between them in this respect, which existed fifteen years ago, exists still.

Our Army and Fleet have been augmented of late years ; but the army, after deducting troops stationed in our foreign possessions, is still so small, that the British Islands would be at the mercy of our nearest neighbour, were it not that our Militia, and Volunteers, form a Reserve to the Regular Forces.

Our Fleet has been most wisely increased, but still does not exceed what is strictly necessary for the due protection of the mighty interests placed under its safeguard.

It must never be forgotten that France and the United States are the only countries, from which we have anything to fear. We shall certainly never attack either of them ; and ought to maintain by all suitable means the most friendly relations with them ; but every feeling of duty and patriotism should induce us to keep our defensive means in such a state of preparation as would enable us, within a reasonable time, to resist either one, or both together.

The notion that the English is an extravagant Government arose from a rough comparison of figures, without due attention to modifying circumstances. A careful scrutiny of all those circumstances has brought us to the conclusion that the amount annually raised by taxation in this country bears a

less proportion to the resources or wealth of the people than perhaps in any other country. England is lightly taxed in comparison with its neighbours. It may not be uninteresting if we now proceed to confirm this practical view of the facts of the case, by drawing attention to some considerations of an *a priori* character, tending to show that in the institutions and forms of the English Government causes exist, which must necessarily tend to produce more care and economy in its fiscal arrangements, than is to be found in countries differently circumstanced.

Power in England is essentially in the hands of the middle class. The middle class has an overwhelming influence in the choice of the House of Commons, which, in fact, rules the State. The middle class, too, are the great taxpayers, and naturally exact stringent attention to economy as one of the first requisites in their delegates.

Under most other forms of Government the ruling person or class may gain, or think they gain, from a large public expenditure, and they possess the power of carrying out their views on this point. In England the Chancellor of the Exchequer for the time being, the financial representative of the governing body, may be looked to as being one of the strictest economists in the Empire.

Take the case of a pure despotism. It is clear that the despot can have no common feeling or sympathy with the taxpayers, unless under the impulse of kindness, benevolence, or a desire to ob-

tain the affection of his subjects ; and, although without casting an undue weight on their purses, he may be able to obtain the means of satisfying to the utmost, every claim for personal gratification, or imperial splendour, yet he is always surrounded by courtiers and favourites to whom every farthing which can be abstracted from the community appears too little. In short, the amount of taxation in a despotic State is usually limited only as to the taxpayer by the ability to pay, or, on the part of the rulers, by the fear of resistance.

Pure despotisms hardly exist in Europe. Turkey and in a less marked degree Russia, are the only States where such are to be found.

In Turkey, finance is little else than robbery, where the strong plunder the weak. In Russia, on the other hand, the system of government has reached that form which existed in the monarchies of Western Europe before the introduction of elected legislatures, when the Sovereign, although in theory supreme, submitted more or less to the authority of laws of his own enactment. Public opinion, if not his own sense of right and justice, restrained him generally from a cruel or capricious exertion of authority. Still in even the best of monarchies, the subject, in the matter of taxation, can have but the resource of remonstrance or rebellion against the monarch, or against that class of nobles or officials who surround the throne and use their power to fill their pockets at the expense of the people.

An Aristocracy powerfully constituted, which usually happens when the ruling class is either priestly, noble, or both in conjunction, is a despotism with many heads, and its members may derive great advantage from heavy taxation, falling only partially or not at all on themselves.

There is, however, a form of aristocracy possessing but feeble means of coercion, which, in order to secure its existence, finds it necessary to give its subjects cheap, if not good government in exchange for freedom. Such was the system prevailing in the Canton of Berne before the French Revolution. Taxation was light, yet the republic was not merely free from debt, but had accumulated a considerable capital, which was placed in foreign funds.

In the latter days of the Venetian Republic, the subject provinces were maintained in allegiance mainly by their sense of the light financial burdens imposed upon them. They pardoned the sins of an antiquated and demoralizing system of rule, in return for a low rate of taxation.

We are told by De Tocqueville that Democracy will finally prevail in all civilized countries, and that we must therefore strive to make the best of it. That form of government emanating from, and depending upon, the people at large has, doubtless, many advantages, but inasmuch as the taxes are imposed by one class, who contribute but little towards them, and are paid by another which is almost deprived of political power, we can hardly

imagine that a spirit of economy will pervade the legislature.

What is technically termed protection appears to have great charms for Democracies. This is a circumstance strongly opposed to any claim that may be put forward for *them* as being an economical form of government.

How far this defect in Democracies, as they now exist, may be removed or diminished by the spread of education and increasing knowledge, remains to be seen.

It is characteristic of Democracies to give very low salaries to leading official personages. The President of the United States receives only £5000 per annum, while in the separate States instances may be found of Chief Justices who only receive £500 per annum, or even less.

This fact is calculated to mislead. There is an outward appearance of economy, while the general administration may be lavish and corrupt. Shillings are saved and pounds thrown away.

There is one more distinction between Governments, to which the reader's attention is once more directed. They may be classed as centralized or decentralized. We thus arrive at a cross division. A despotism, a monarchy, an aristocracy, or a democracy, may be internally so organised as to allow a portion, more or less extensive, of local or municipal independence, or the whole country may be administered by a bureaucracy emanating from the supreme authority. This difference in the internal

mechanism of the State has a most important influence on its financial tendencies.

Bureaucratic administration is widely spread in Europe. Germany has largely felt its influence. France, however, is the country where it exists in its highest development. There, most families above the lowest in the social scale, either furnish a place-holder, or strive and hope to obtain a place or places for one or more of their members. In truth, place-holders or place-seekers almost govern the state, and, as a necessary consequence, they, the ruling class, think that they gain more than they lose, by a lavish expenditure and consequent high rate of taxation. One great object of the Government is to multiply places, and to find the means of paying place-holders. A Bureaucracy, from its nature, must be a lavish and expensive form of rule.

The administrative character of a Government has a greater influence on its real essence than is indicated by the name it bears.

The French peasant, or bourgeois, was hostile to the Republic of 1848, because he dreaded its communistic tendencies, but he enjoyed under it neither more nor less freedom than he did under Louis Philippe, or than he now enjoys under Louis Napoleon. Under all these Governments he has been controlled and treated like a child by the agents of the State, who are largely paid for doing for the citizen what he could do, probably better, and certainly far cheaper, for himself.

It appears, then, that, without appealing to ex-

perience, and from a simple knowledge of the nature of Governments, and of their necessary and inherent tendencies, we might safely conclude that extravagance would not prove to be a characteristic of the Government of this country.

It was the object of this Pamphlet, when first published fifteen years ago, to establish the following propositions :—

1st. That the financial burdens of England did not seriously press upon her resources, and that, when compared with her augmented wealth, their pressure had been greatly diminished since 1815.

2nd. That the pressure of these burdens, when compared with the means of bearing them, were heavier in other great European States than in England.

3rd. That, upon the whole, a spirit of frugality is more apparent and influential in the English Government than in those with which it is usually brought into unfavourable comparison.

What was true fifteen years ago, is equally true now. In 1864, as in 1850, our revenue and expenditure, when compared with our resources, are moderate, and far less in comparative weight, than those of other large countries.

But some may ask, cannot our expenses be materially diminished? Is it really necessary that we should spend annually nearly seventy millions? I fear that it is, if the honour and security of the Empire are to be duly protected. Our civil expenditure

will certainly increase in correspondence with our wealth and population, and neither our fleet nor army can be materially diminished without exposing to hazard our best interests. They alone enable us to remain at peace, by showing that we cannot be attacked with a chance of success.

A few years ago benevolent men were induced to think that mankind had become convinced of the folly and wickedness of war, and that, with the rapid growth of knowledge, wars might become less frequent, and gradually cease. This pleasing hope has vanished. The general public of almost every country, appears more ready to grasp the sword than its rulers. Sovereigns are now unpopular, not because they invade their neighbours, but because they abstain from doing so, and the general adoption of the popular Doctrine of Nationalities, if carried out consistently, must rend to pieces almost every State in Europe, and fill the world with bloodshed and confusion.

Looking for an example of what great wars will hereafter be, to the spectacle now exhibited on the other side of the Atlantic, we may anticipate that the next great war in which England may be involved, will far exceed in costliness anything we have hitherto experienced.

I do not allude here to a war, like that against Russia, on which we might spend much or little, without in either case perilling the security of the State—but to a conflict which may necessitate the

employment of all our resources—military, naval, and financial, and which may be carried on in every quarter of the world, perhaps even on the soil of the British islands.

It is possible that, in the event of such a war, we should find it necessary to expend 170 millions annually, and thus to add 100 millions per annum to our present outlay.

It may be hoped that we shall be long spared so great a calamity. At any rate, we may derive comfort from the conviction, that England is far better prepared to meet such a trial and the sacrifices it must involve at the present time—at least, so far as respects her financial means, than she was to bear the burden of the last years of the Napoleonic war, which only reached, after allowing for the depreciation of Bank Notes, about 80 millions.

APPENDIX TO FOURTH EDITION.

(A.)—UNITED KINGDOM.

IMPORTS AND EXPORTS.—FOUR PERIODS.

1 Years.	2 IMPORTS.		3 EXPORTS.		5 EXPORTS.	6 TOTAL EXPORTS.
	Official Value.		Official Value.		Real Value.	Official and Real Value.
	Foreign and Colonial Merchandise.	British and Irish Produce and Manufacture.	Foreign and Colonial Merchandise.	British and Irish Produce and Manufacture.	British and Irish Produce and Manufacture.	Cols. 4 and 5.
I.	£	£	£	£	£	£
1814	33,755,000	34,207,000	19,365,000	45,494,000	64,859,000	
1815	32,987,000	42,875,000	15,748,000	57,603,000	67,351,000	
1816	26,431,000	35,717,000	13,480,000	41,657,000	55,137,000	
Aver.	31,391,000	37,600,000	16,198,000	46,251,000	62,450,000	
II.						
1843	70,093,000	117,877,000	13,956,000	52,278,000	66,234,000	
1844	35,441,000	131,564,000	14,397,000	58,584,000	72,981,000	
1845	75,281,000	134,599,000	16,280,000	60,111,000	76,391,000	
Aver.	76,938,000	128,013,000	14,878,000	56,991,000	71,853,000	
III.	Real Value.		Real Value.	Real Value.	Real Value.	
1854	152,389,000	—	18,636,000	97,184,000	115,821,000	
1855	143,542,000	—	21,003,000	95,688,000	116,691,000	
1856	172,544,000	—	23,393,000	115,826,000	139,220,000	
Aver.	156,160,000	—	21,011,000	102,899,000	123,911,000	
IV.						
1860	210,530,000	—	28,630,000	135,891,000	164,521,000	
1861	217,185,000	—	34,529,000	125,102,000	159,632,000	
1862	226,592,000	—	43,051,000	124,137,000	167,189,000	
Aver.	218,436,000	—	35,403,000	128,710,000	163,780,000	

NOTE ON TABLE A.

With the year 1854 the old plan of making a return of the *Imports* and of the *Exports* according to the "official value" was discontinued. The official value was arrived at by employing certain fixed rates of valuation, adopted as far back as the time of William III. The official value therefore was no more than a cumbrous mode of expressing not value but quantity and bulk. With 1854 the new and more satisfactory plan was introduced, of ascertaining by careful enquiry in the course of each year the fair prices (in bond in the case of dutiable articles) at which the several kinds of *Imported* articles should be valued, and of applying the prices so ascertained for the conversion into sterling of the quantities set forth in the entries through the Custom House. The real or declared value of the *Exports* continued to be made up from the declarations of the Exporters themselves.

In consequence of the alteration of 1854, there is an inevitable variation between the periods I. and II., and III. and IV. The *Exports*, however (col. 5) represent an uniform mode of valuation throughout, and a comparison of the years 1854-6 with the years 1860-2, will indicate at all events, and on the best data, the progress of the Trade of the United Kingdom since 1854.

According to Mr. Porter's estimate, a large deduction must be made from the Real Value of the Exports in the years 1814-16, on account of the depreciation at that time prevailing in the Paper Circulation of this country. Mr. Porter states the figures thus:—

1814-16. Average Exports, Real Value .	£46,251,000
Deduct for depreciation of Paper	9,250,000
	<hr/>
	£37,001,000

AMOUNT OF TAXES REPEALED OR REDUCED, AND IMPOSED, 1848-62.

Years.	REPEALED OR REDUCED.	Estimated Amount.	IMPOSED.	Estimated Amount.
1848	Customs :—	£		£
	Copper Ore . . .	85,745		
	Rum, British Possessions . .	69,353		
	Sugar and Molasses . .	258,854		
	Wood, Foreign . .	215,028		
	Other Articles . .	6,988		84
	Total . .	585,968		
1849	Customs :—			
	Sugar and Molasses . .	355,257		
	Oil and Sperme . .	29,327		
	Other Articles . .	4,214		
	Total . .	388,798		
1850	Customs :—			
	Sugar and Molasses . .	331,073		
	Other Articles . .	3,078		
	Stamps . .	520,000		
	Bricks . .	456,000		
	Total . .	1,310,151		
1851	Window Duty . .	1,878,800	Inhabited House Duty .	600,000
	Customs :—			
	Coffee . .	149,161		
	Sugar and Molasses . .	359,804		
	Wood & Timber, Foreign . .	292,099		
	Total . .	2,679,864		
1852	Customs :—			
	Sugar and Molasses . .	95,928		
1853	Tea . .	968,877	Customs . .	16,383
	Butter and Cheese . .	106,535	Excise (Spirits) . .	590,000
	Sugar and Molasses . .	78,793	Stamps (Succession Tax) .	2,000,000*
	Raisins . .	65,659	Property Tax . .	750,000
	Other Articles . .	279,610		
	Total Customs . .	1,499,474		
	Excise, Soap, &c. . .	1,171,000		
	Stamps . .	277,000		
	Taxes, Assessed . .	300,000		
	Total . .	3,247,474	Total . .	3,356,883

* Estimate when in full operation. The estimate for the first year was £500,000.

AMOUNT OF TAXES REPEALED OR REDUCED, AND IMPOSED—*continued.*

Years.	REPEALED OR REDUCED.	Estimated Amount.	IMPOSED.	Estimated Amount.
		£		£
1854	Customs :—		Customs :—	
	Tea	980,568	Spirits	16,69
	Platting of Chip and other Articles	2,539	Sugar and Molasses . .	420,29
			Other Articles	3,65
	Stamps—Bills of Exchange	983,107		440,64
1855	Taxes, Assessed	11,000	Excise, Malt	2,450,00
		290,000	Spirits	450,00
			Income and Property Tax	6,614,00
	Total	1,284,107	Total	9,954,64
1855	Customs :—		Customs :—	
	Window Glass and other Articles	2,960	Sugar and Molasses . .	1,267,56
	Stamps :—		Tea	774,41
	Newspaper	250,000	Coffee	155,62
	Excise		Spirits, Colonial	25,54
1856	Stage Carriages reduced	60,000	Other Articles	2,75
				2,225,90
			Excise, Spirits	1,000,00
			Income Tax	2,000,00
	Total	312,960	Total	5,225,90
1856	Customs	3,475		
	Excise :—			
	Malt War Tax	2,200,000		
	Total	2,203,475		
1857	Customs :—		Customs :—	
	Coffee	145,816	Rice dust for Feeding Cattle	92
	Sugar and Molasses . .	418,988		
	Tea	1,054,637		
	Other Articles	9,141		
1857	Taxes :—	1,628,582		
	Property & Income Tax	9,125,000		
	Total	10,753,582		9

AMOUNT OF TAXES REPEALED OR REDUCED, AND IMPOSED—*continued.*

Years.	REPEALED OR REDUCED.	Estimated Amount.	IMPOSED.	Estimated Amount.
		£		£
1858	Taxes :— Property & Income Tax	2,100,000	Customs :— Spirits, Colonial, consumed in Ireland Excise :— Spirits Stamps :— Draft Stamps Probate Court Stamps Matrimonial Causes Court Stamps Total	9,080 280,000 113,000 53,000 1,700 456,780
1859			Property and Income Tax	4,340,000
	Customs :— Repealed : Butter Cheese Eggs Leather, Boots, Shoes, &c. „ Gloves Oranges and Lemons Rice Silk Manufactures Tallow Other Customs Duties Total Repealed	104,321 49,395 24,721 8,619 64,794 35,656 25,060 307,244 74,942 286,498 981,250	Customs :— Spirits, British Colonial General Rates and Charges, under Acts 23 Vict. c. 22 and 23 and 24 Vict. c. 110 Other Customs Duties Total	357,966 208,000 11,938 577,904
1860	Reduced : Currants Raisins Spirits, Foreign Wine Wood and Timber Other Customs Duties Total Reduced Total Customs Excise :— Hops, reduced Taxes :— Game Certificates transferred to Excise Total	210,580 45,353 313,745 831,694 429,436 28,873 1,859,681 2,840,931 105,000 140,000 3,085,931	Excise : Spirits Chicory Licences to Keepers of Refreshment Houses, to Retailers of Wine, to Dealers in Sweets or made Wines, to persons dealing in Wine and Spirits in Bond Licences to kill and to deal in Game, transferred from Taxes with altered Rates Stamps Taxes :— Property and Income Tax Total	650,000 5,000 75,000 150,000 163,000 1,060,000 2,680,904

AMOUNT OF TAXES REPEALED OR REDUCED, AND IMPOSED—*continued.*

Years.	REPEALED OR REDUCED.	Estimated Amount.	IMPOSED.	Estimated Amount.
		£		£
1861	Customs :—		Customs :—	
	Repealed :		Chicory, raw or kiln-dried	15,000
	Hats or Bonnets of straw, chip, &c.	285	Excise :—	
	Paper, books and prints	29,743	Duty on Chicory in-	
	Reduced :		creased from 5s 6d to	
	Hops	5,372	8s 6d per cwt.; Licences	
	Wine	244,158	to retail Spirits in bot-	5,000
	Total Customs	279,558	tles; to retail Table	
	Excise :		Beer; and to retail	
	Paper Duty repealed	1,350,000*	Methylated Spirits	
	Taxes :		Stamps :—imposed	60,000
	Income Tax reduced	1,060,000		
	Total	2,689,558	Total	80,000
1862	Customs :—		Excise :—	
	Hop Duty repealed	98,671	Brewers' Licences in-	
	Excise :—		creased	230,000
	Hop Duty repealed	250,000	Victuallers' occasional	
	Stamps	5,000	Licences	2,000
			Duty on Chicory in-	
			creased	
	Total	353,671	Stamps :—various, in-	20,500
			creased or imposed	
			Total	252,500

		Repealed or Reduced.	Imposed.	Diminution (—) or Addition (+).
		£	£	£
Total from 1848 to 1862.	Customs	9,539,589	3,285,093	— 6,254,496
	Excise	5,595,078	5,887,000	+ 291,922
	Property and Income Tax	12,285,000	14,764,000	+ 2,479,000
	Other Taxes	2,608,800	600,000	— 2,008,800
	Stamps (including Succession Tax)	1,063,000	2,411,200	+ 1,348,200
	Total	31,091,467	26,947,293	— 4,144,174

* Estimated Amount for the Year ; but as the Duty was not repealed until 1st October, 1861, the actual amount repealed *within* the Year was £675,000.

(C.)—UNITED KINGDOM, 1848-63.

GROSS PUBLIC REVENUE UNDER PRINCIPAL BRANCHES.

Cost of Collection not deducted.

The 0,000 at unit end omitted—thus 22,64 is £22,640,000.

Years.	Customs.	Excise.	Stamps.	Taxes.	Property and In- come Tax.	Post Office.	Crown Lands.	Miscella- neous.	Total.
	£	£	£	£	£	£	£	£	£
1848	22,64	15,17	6,79	4,32	5,35	2,22	,08	1,01	57,96
1849	22,26	14,96	7,01	4,31	5,41	2,15	,16	,75	57,38
1850	22,04	15,28	6,71	4,36	5,38	2,28	,16	,76	57,32
1851	22,22	15,39	6,53	3,57	5,30	2,37	,15	,69	56,57
1852	22,14	15,75	6,91	3,38	5,51	2,37	,26	,87	57,53
1853	22,51	16,30	7,13	3,16	5,59	2,52	,40	,95	58,90
1854	26,75	19,27	8,92	3,36	13,22	3,10	,36	1,00	66,41
1855	23,24	17,12	7,09	3,16	15,07	2,81	,28	1,15	70,26
1856	23,53	18,16	7,07	3,10	16,09	2,92	,28	1,09	72,78
1857	23,11	17,82	7,37	3,11	11,58	2,92	,27	1,60	67,88
1858	24,12	17,90	7,41	3,15	6,68	3,20	,28	2,02	65,48
1859	24,46	20,36	8,01	3,23	9,59	3,31	,28	1,80	71,09
1860	23,31	19,43	8,04	3,13	10,92	3,40	,29	1,55	70,28
1861	23,67	18,33	8,35	3,16	10,36	3,51	,29	1,74	69,67
1862	24,03	17,15	8,99	3,15	10,56	3,65	,30	2,75	70,60

(D.)—IMPORTS AND EXPORTS (UNITED KINGDOM), 1840-62.

Total declared or real value in CLASSES, with the value per Head of the Population in the several years as under.—The Materials obtained from Parliamentary Return, 469, 1863.

IMPORTS INTO UNITED KINGDOM.

Popu- lation.	Year.	I. Food.			II. Raw Materials of Manu- facture.			III. Articles used in Manu- facture.			IV. Manufac- tured Articles.			V. Miscella- neous.			Total Imports.		
		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.	
Milns.		Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.
26,7	1840	35,4	26	6	44,4	34	2	4,5	3	5	2,9	2	2	..	..		87,3	60	6
27,7	1852	37,8	27	2	60,0	43	5	11,1	8	-	4,9	3	6	..	..		113,0	82	3
28,9	1860	80,0	55	6	98,8	68	8	16,1	11	3	11,5	8	-	3,3	2	4	210,5	145	10
29,1	1861	87,0	55	10	96,3	66	4	16,2	11	2	15,2	10	6	2,5	1	9	217,5	142	8
29,3	1862	93,0	63	6	96,5	66	-	16,6	11	3	17,2	11	7	2,3	1	6	225,7	154	-

EXPORTS FROM UNITED KINGDOM.

Popu- lation.	Year.	I. Manufactured Goods finished.			II. Partly Manufactured.			III. Food.			IV. Raw Produce.			V. Miscella- neous.			Total Exports.		
		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.		Value.	Per head.	
Milns.		Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.	Milns. £.	s.	d.
26,7	1840	36,0	27	-	10,6	7	10	2,1	1	7	2,7	2	1	,1	1		51,4	38	6
27,7	1852	53,9	38	10	16,4	11	10	2,5	1	9	5,0	3	7	,1	1		78,1	56	6
28,9	1860	91,4	63	4	29,5	20	6	5,2	3	7	9,6	6	10	,2	1		135,9	93	10
29,1	1861	83,4	56	6	26,2	18	-	5,9	4	2	9,3	6	4	,3	1		125,1	86	-
29,3	1862	83,4	56	2	25,5	17	5	5,5	3	10	10,3	7	-	,2	1		123,1	84	-

Note.—This Table may be read thus:—in 1840 the total real value of the articles of Food (I.) imported into the United Kingdom was £35,400,000, equal to 26s 6d per head, on the then population of 26,700,000 persons.

NOTE ON TABLE D.

The following is a more amplified statement of the classes of articles composing the several groups in Table D opposite.

IMPORTS.

I. *Articles of Food*.—Animals, Fruits, Bacon, Beef, Corn, Spices, Tea, Coffee, Fish, Potatoes, Rice, Spirits, Wine, Sugar, Tobacco.

II. *Raw Materials of Manufacture*.—Cotton, Wool, Dyes, Metals, Timber, Oils, Gums, Hides, Rags, Skins, Tallow.

III. *Articles used in Manufacture or Agriculture not being Raw Materials of Manufacture*.—Guano, Tin, Iron, Copper, and Skins partly prepared.

IV. *Manufactured Articles*.—Watches, Porcelain, Glass, Lace, Leather, Colours, Books, Silks, Woollens.

V. *Miscellaneous*.

EXPORTS.

I. *Manufactured Goods in a finished state*. Cotton Cloths, Woollens, Hardware, Machinery, Leather, Linen, Silk, Books, Haberdashery, &c.

II. *Articles partly Manufactured*.—Cotton, Yarn, Tin, Woollen Yarn, Iron, Linen Yarn, &c.

III. *Articles of Food*.—Beer, Butter, Corn, Fish, Pickles, Sugar, &c.

IV. *Raw Produce and Materials of Manufacture*.—Coal, Copper, Lead, Salt, Wool, &c.

V. *Miscellaneous*.—Horses, Manure, &c.

The very useful return which supplies the materials of this Table (D) bears the name of Sir Stafford Northcote.

(E).—LEADING EUROPEAN STATES, 1828, 1847, and 1861.

Total Revenue (exclusive of Loans) and average taxation per head of Population ; with columns relating to Public Debts, 1861.

1 Countries.	2 3 4 Total Revenue.			5 6 7 Average taxation per head of population.			8 9 Public Debt.	
	1828.	1847.	1861.	1828.	1847.	1861.	Amount, 1861.	Interest equal per head of population.
	Millions. £.	Millions. £.	Millions. £.	s. d.	s. d.	s. d.	Millions. £.	s. d.
United Kingdom	50,70	51,34	67,46	43 6	37 8	43 -	805	18 3
France . . .	41,20	54,88	74,00	26 6	30 6	39 7	373	10 7
Austria . . .	10,40	16,17	29,94	6 4	8 9	17 -	227	5 6
Prussia . . .	8,46	10,70	22,66	12 5	13 8	22 4	40	2 6
German Confed ⁿ ex } Austria & Prussia }	10,23	16,50	18,49	15 -	21 2	20 -	76	3 3
Russia . . .	10,80	45,90	48,40	5 7	16 -	15 -	136	2 7
Holland . . .	4,70	7,07	9,12	36 -	47 -	50 7	107	15 3
Belgium . . .	3,90	4,60	5,92	22 3	21 9	25 -	22	6 2

In this table the amounts of Total Public Revenue in columns 2—4 are expressed in millions sterling. Thus 50,70 represents £50,700,000. The columns 5—7 give the average contribution of *each* inhabitant to the Total Public Revenue shown in columns 2—4. Thus in the United Kingdom the average taxation (or Contribution) was 43s per head in 1861. In like manner the average taxation per head necessary to pay the Interest on the £805,000,000 of the Public Debt of the United Kingdom in 1861 was 18s 3d, leaving 24s 9d (the difference between 18s 3d and 43s) as the amount applicable to all other Public purposes.

The Total Public Revenue in columns 2—4 does *not* of course include local and municipal taxes in any of the countries.

I have been greatly assisted in the preparation of the Table by the excellent and useful resumé of M. Maurice Block, entitled "Puissance Comparée des Divers Etats de l'Europe," Paris, 1862.

(F.)—FRANCE.

REVENUE, EXPENDITURE, AND POPULATION,
1831-57.

25 francs=£1. (Statistique de la France par M. Block, i. 361.)

Year.	Population.	Revenue.		Expenditure. Total.
		Total.	Contribution per head.	
	Persons.	Millions. £.	s. d.	Millions. £.
1831	32,56	52,20	26 8	48,72
1836	33,54	42,80	25 9	42,60
1841	34,26	55,24	27 9	56,56
1846	35,40	56,00	31 1	62,60
1851	35,78	54,88	32 11	58,40
1856	36,03	76,52	42 8	87,80
1857	36,10	71,92	39 10	74,88

(G.)—FRANCE.

*Contribution Foncier Classification of Assessments according to
the last Cadastre (1842).* (Statistique de la France, Block,
i. 370.)

Properties yielding Annual Rents as under.				Assessments.	Per cent. Total.
Under 5 francs of Rent				5,440,000	47·70
5 francs and under 10 francs				1,818,000	15·93
10	„	„	20	1,614,000	14·14
				8,872,000	77·77
20	„	„	30	791,000	6·95
30	„	„	50	744,000	6·52
50	„	„	100	507,000	4·45
				10,914,000	95·69
100	„	„	300	375,000	3·28
300	„	„	500	64,000	·57
500	„	„	1000	37,000	·32
1000	„	and above		17,000	·14
				11,407,000	100·00

This Total conveys in the precise form of actual figures a striking picture of the extension which has been reached in France in the sub-Division of landed and real property.

(H.)—ANNUAL ACCUMULATIONS OF CAPITAL IN
THE UNITED KINGDOM.

The following Tables are selected from the two articles (already referred to at page 107 *ante*) in the *Economist* Newspaper of 12th and 19th December, 1863, on the "Annual Accumulations of Capital in the United Kingdom."

"The most salient feature in the following table (*a*) is the rapid rise in the assessments under Schedule *A*—that is the assessments on the incomes of *owners* of lands, houses, railways, mines, and the like. Taking England and Wales, the increase of this class of incomes was 2·3 millions per annum—or taking the United Kingdom, it was 2·8 millions per annum. The increase of assessments under Schedule *D* (trades and professions) was greatly affected by the disastrous years 1857-58. But under *C* and *E*, the progress is continuous and important.

"We have then in the figures of Table *a* a *minimum* statement of the average annual growth of incomes of £100, and upwards, during the five years ended with 1859-60. We say a *minimum* statement, bearing in mind the omissions, evasions, frauds and oversights, inseparable from any scheme of income tax revenue. But more than this, we must recollect that the table wholly omits the numerous class of incomes *below* £100 per annum.

"The incomes *above* the £100 limit assessed in 1859-60 amounted to 335 millions. It is no part of our present plan to enter upon the very difficult task of estimating the aggregate amount of the incomes which fall below the £100 limit. We shall not overstate the case, however, if we say in general terms that the aggregate of these small, or wages, or sub-tax incomes is certainly greater than one-half of the incomes liable to assessment."

(a.)—INCOME TAX 1854-55 and 1859-60.

Amount of Incomes, commencing at £100 per Annum, Assessed in Years ended 5th April, stated in Millions Sterling under the several Schedules.

Years ended 31st March.	A.	B.	C.	D.	E.	Total.
	Mlns. £	Mlns. £	Mlns. £	Mlns. £	Mlns. £	Mlns. £
I. ENGLAND AND WALES.						
1854-55	100·8	41·1	24·8	74·6	13·5	254·8
1856-57	103·6	41·2	26·9	73·5	15·8	261·0
1859-60	112·1	42·9	28·3	81·9	17·0	282·3
<i>Increase 5 years</i>	11·3	1·8	3·7	7·3	3·5	27·5
<i>Annual average</i>	2·3	0·4	0·7	1·5	0·7	5·5
II. SCOTLAND.						
1854-55	12·1	5·7	—	11·9	0·8	30·5
1856-57	12·5	5·9	—	11·1	0·9	30·5
1859-60	14·0	6·3	—	8·6	1·0	29·9
<i>Increase 5 years</i>	1·9	0·6	—	3·3	0·2	0·6
<i>Annual average</i>	0·4	0·1	—	0·6		0·1
III. IRELAND.						
1854-55	11·9	2·6	1·4	4·8	0·9	21·6
1856-57	11·9	2·6	1·4	4·6	0·9	21·5
1859-60	12·9	2·8	1·4	4·9	1·0	22·9
<i>Increase 5 years</i>	1·0	0·2	—	0·1	0·1	1·3
<i>Annual average</i>	0·2	—	—	—	—	0·3
Total United Kingdom } increase 5 years)	14·2	2·6	3·7	4·1	3·8	28·4
<i>Annual average</i>	2·8	0·5	0·7	0·8	0·8	5·7

Note.—The 00,000s at unit end are omitted—thus 100·8 represents £100,800,000.

(b.)—INCOME TAX, GREAT BRITAIN, 1843 AND 1853.

Amounts of Income (stated in Millions Sterling) Assessed,—the commencing limit being £150.

Years ended 31st March.	A.	B.	C.	D.	E.	Total.
	Mins. £	Mins. £	Mins. £	Mins. £	Mins. £	Mins. £
I. ENGLAND AND WALES.						
1843-44 . . .	85·7	40·4	27·3	56·6	11·0	221·1
1852-53 . . .	96·2	41·1	26·7	59·6	11·0	234·7
<i>Increase 9 years</i>	10·5	0·7	0·6	3·0	—	13·6
<i>Annual average</i>	1·2	0·1	0·1	0·3	—	1·5
II. SCOTLAND.						
1843-44 . . .	8·7	5·2	—	8·4	0·3	22·6
1852-53 . . .	11·0	5·5	—	10·5	0·6	27·6
<i>Increase 9 years</i>	2·3	0·3	—	2·1	0·3	5·0
<i>Annual average</i>	0·2	—	—	0·2	—	0·5
Total Great Britain, increase 9 years) }	12·8	1·0	0·6	5·1	0·3	18·6
<i>Annual average</i>	1·4	0·1	0·1	0·6	—	2·1

The net annual value of the property assessed to Poor Rate in England and Wales only, was in—

Year.	Net Annual Value.	Total Increase.	Average Annual Increase.
	£	£	£
1840-41	62,540,000	—	—
1849-50	67,700,000	5,160,000	570,000
1855-56	71,840,000	4,140,000	690,000

Note.—The income tax was not extended to *Ireland* till 1854—and in the financial year 1853-54 was first applied to incomes between £100 and £150 per annum.

(c.)—HOUSE DUTY, GREAT BRITAIN, 1855 AND 1863.

Annual Value £20 and above.

Year.	Number of Houses, &c.			Annual Value.		
	Trade.	Dwelling.	Total.	Trade.	Dwelling.	Total.
	No.	No.	No.	£	£	£
1855	193,000	291,000	484,000	8,500,000	14,000,000	22,500,000
1860	204,000	328,000	532,000	9,200,000	16,000,000	25,200,000
Increase	11,000	37,000	48,000	700,000	2,000,000	2,700,000

In 1861, the total number of Houses in Great Britain was 4,363,000: of this number, the 532,000 houses and shops assessed as being worth £20 per annum, represented 12 per cent, or say 1 in 8.

(d.)—RAILWAYS IN THE UNITED KINGDOM.

Total Capital Paid-up in Shares and Loans.

At end of Year.	Paid-up.	Increase.	Number of Years.	Annual Increase.
	Mins. £	Mins. £		Mins. £
1847	159·4	—	—	—
1848	200·2	40·8	1	40·8
1849	229·7	29·5	1	29·5
1850	240·3	10·6	1	10·6
1851	248·2	7·9	1	7·9
1852	264·2	16·0	1	16·0
1857	315·2	51·0	5	10·2
1861	362·3	47·1	5	9·4

(e.)—FIRE INSURANCE—UNITED KINGDOM.

Years.	Duty Collected.	Property Insured.	Total Increase.	Increase per Annum.
	Mins. £	Mins. £	Mins. £	Mins. £
1843	1·03	724	—	—
1853	1·27	890	166	16
1857	1·42	996	106	26
1862	1·66	1,162	166	33

I.—WAGES IN AGRICULTURE AND MANUFACTURES.

Increase during the last Thirty Years.

[I extract from a valuable paper by Mr. David Chadwick, of Salford, in the *Statistical Journal* for March 1860, the following statement of the results arrived at by him after a careful inquiry into the Rates of Wages prevailing in the leading branches of Manufacture in 1839, 1849, and 1859.]

“The results of the present inquiry prove that a large proportion of the operative classes in the various branches of trade, are receiving more wages at the present time than they have done during the last twenty years; and there appears good reason to expect that the prosperity now prevailing is likely to be more than usually permanent.

“It may be safely affirmed that the *low prices* of Provisions and Clothing, together with the *high rate* of Wages, and the facilities for education and mental culture now existing, have placed within the reach of the working classes more physical comforts and the means of obtaining more social and intellectual enjoyment than at any previous period.

“To prove these propositions, it is only requisite to peruse attentively the rates of wages paid to the various trades as set forth under the eight heads included in the returns herewith presented.

“(1.) In the *Cotton Trade* the *advance* of wages has averaged from 10 to 25 *per cent.* during the twenty years 1839-59.

“(2.) In the *Silk Trade* an advance of wages has taken place in all the branches equal to more than 10 *per cent.*

“(3.) *Calico Printing, Dyeing and Bleaching*, and in *Silk and Rustian Dyeing*, a decline in wages has occurred in those branches which no longer require any special or peculiar skill; and also in the higher class of skilled workmen, such as “*Machine Printers* ;” but the wages of this class now range from 25*s* to 50*s* per week, the average rate being 38*s*.

“(4.) In the *Building Trades* the *increase* in the rate of wages during the twenty years, has averaged from 11 to 32 *per cent.*

“(5.) In the *Mechanical Trades* there has been a general advance in nearly all branches. In some instances this advance is equal to 45 *per cent.*”

The following Table, shewing the Rates of *Agricultural* Wages in England and Wales in 1824, 1837 and 1860, is from an elaborate paper by Mr. Purdy, the Chief of the Statistical Office of the Poor Law Board, inserted in the "*Statistical Journal*," Sept. 1861.

Divisions and Counties.	Average Weekly Wages of Men in		
	1824.	1837.	1860.
SOUTH-EASTERN.	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Surrey (Extra Metropolitan)	10 8	10 6	12 9
Kent ditto	11 9	12 -	12 -
Sussex	9 7	10 7	11 8
Southampton	8 6	9 6	12 -
SOUTH MIDLAND.			
Hertford	9 -	9 6	10 -
Northampton	8 1	9 -	11 -
Bedford	8 7	9 6	10 3
EASTERN.			
Essex	9 4	10 4	11 3
Suffolk	8 3	10 4	10 7
Norfolk	9 1	10 4	10 7
SOUTH-WESTERN.			
Wilts	7 7	8 -	9 6
Dorset	6 11	7 6	9 4
Devon	7 6	8 -	9 2
Somerset	8 2	8 8	10 -
WEST MIDLAND.			
Gloucester	9 3	9 -	9 5
Hereford	7 1	8 -	9 -
Salop	8 10	9 -	10 -
Stafford	10 8	12 -	12 6
Worcester	8 2	9 6	10 -
Warwick	8 10	10 -	10 9
NORTH MIDLAND.			
Lincoln	10 2	12 -	13 -
Nottingham	10 3	12 -	12 9
Derby	10 10	12 -	12 -

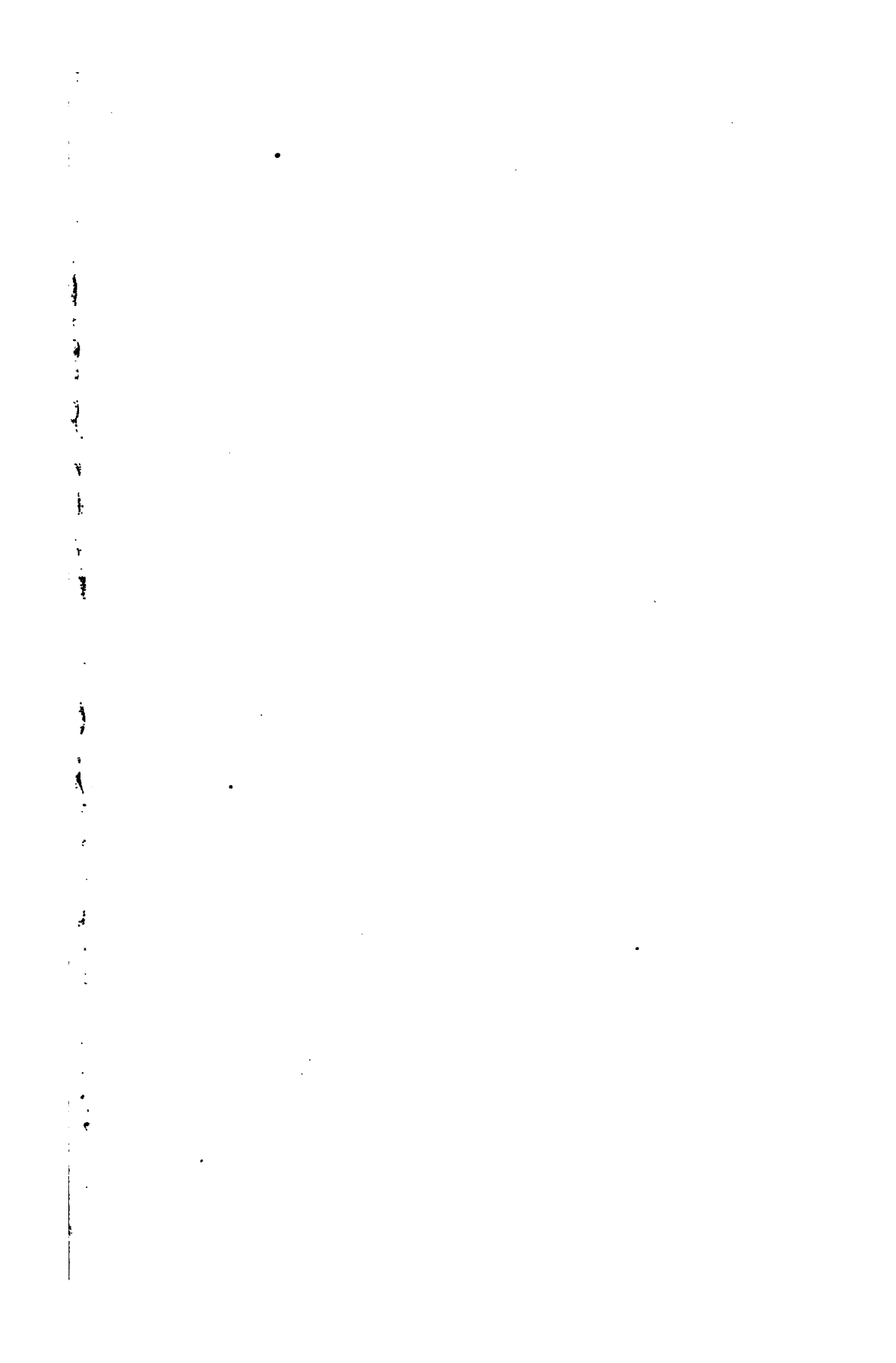
RATES OF AGRICULTURAL WAGES—*continued.*

Divisions and Counties.	Average Weekly Wages of Men in		
	1824.	1837.	1860.
NORTH-WESTERN.	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Chester	10 8	13 -	11 8
YORK.			
West Riding	12 6	12 -	13 6
East Riding	11 8	12 -	13 6
North Riding	10 3	12 -	13 6
NORTHERN.			
Durham	11 6	12 -	14 3
Northumberland	11 5	12 -	14 -
Cumberland	12 3	12 -	15 -
Westmoreland	12 -	12 -	14 3
WELSH.			
Monmouth	10 1	10 6	11 8
Wales	8 -	7 6	11 2
<i>Average of 34 Counties, counting North and South Wales as two</i>	9 4	10 4	11 7

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